



Daily Report

China

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Daily Report

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General

Relations With U.S., Soviet Union Viewed *OW1408224488 Beijing DANG JIAN in Chinese No 5, 5 May 88 pp 43, 47*

[Article by Liu Zhengrong (not further identified):
"What Is China's Basic Position in Handling Sino-U.S.
and Sino-Soviet Relations?"]

[Text] China pursues an independent foreign policy for peace. As a developing socialist nation with a vast territory and a very large population, China not only cherishes its own independence but also respects the independence and sovereignty of other nations. We do not depend on any big nation or any group of nations. We do not form any alliances or strategic relations with them. Nor do we pursue a balanced or equidistant diplomacy toward them. This position is based on historical practices in international relations since the end of World War II as well as China's own experiences, both positive and negative, in her diplomatic practices since the founding of the People's Republic. This policy of ours is in keeping with the interests of the Chinese people and is conducive to world peace and stability.

Right now the whole world is talking about the "great triangle," namely, the United States, the Soviet Union, and China. The relations between China, the United States, and the Soviet Union form a strategic framework for today's world. Why has China been able to become one angle in this great triangle? One of the principal reasons is that we persist in maintaining our independence and in keeping the initiative in our own hands. If, instead of being independent and keeping the initiative in its own hands, China was dependent on a superpower, we would become either a minor or major partner of either the United States or the Soviet Union, and the great triangle would become two poles, which would be harmful to international stability. China's persistence in being nonaligned and siding with those who safeguard peace is conducive to world peace.

In handling international issues, we make our independent judgements and decide on our own policies based on what is right and what is wrong, and on whether or not our decisions are conducive to world peace and promote international economic development as well as friendship among the peoples of various nations. We do not ally ourselves with one side to oppose the other side. We seek to develop friendly and cooperative relations with all nations on the basis of the five principles of mutual respect for each other's sovereignty and territorial integrity, nonaggression, noninterference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence. We do not decide on our relations with other countries based on similarities or differences in social systems or ideology. Sino-U.S. and Sino-Soviet relations are the focus of world attention today. We desire to develop relations with the United States and

the Soviet Union. But we resolutely oppose their hegemonic acts and insist on the "five basic principles" as the basis for developing bilateral relations.

Sino-U.S. relations are basically stable and have been continuously developing in recent years. Mutual visits and consultations between officials of both countries have enhanced our mutual understanding. Sino-U.S. economic and trade relations are developing on a steady course. Sino-U.S. trade reached US \$7.33 billion in 1986. The United States has become China's third largest trading partner. The United States ranks first among foreign investors in China. Considerable progress has been made in scientific and technological cooperation, education and cultural exchanges, and in the military field between China and the United States. It is not an easy feat for two big nations with different social systems to maintain good relations. Therefore, both sides must treasure these relations, abide by the basic principles on which these relations are established, and honor with concrete deeds all agreements signed between them, thereby enabling Sino-U.S. relations to continue developing on a steady course. However, in recent years, some Americans have interfered in China's internal affairs under various pretexts. Over the past year and more, the U.S. side has repeatedly found fault and unscrupulously started disputes with us, causing a series of unpleasant incidents to take place. This, in turn, has given rise to some factors of instability in Sino-U.S. relations which ought to have developed continuously. Regarding the disputes started up by the United States, we have adopted a calm attitude and exercised self-restraint instead of carrying out open polemics. This is not because we are afraid of the United States or want to beg for something from the United States, but rather because we value the current relations with the United States and want to prevent peace and security in the Asia-Pacific region from deteriorating.

The main obstacle in Sino-U.S. relations is still the Taiwan question. The Taiwan question concerns China's sovereignty and its internal affairs. The United States has not pursued the one China policy which was openly declared by the U.S. Government. Up to last year, a resolution sympathizing with and supporting "Taiwan independence" had appeared in the U.S. Congress. These kinds of deeds and words, which violate the principle of Sino-U.S. relations and wantonly interfere in China's internal affairs, are bound to harm Sino-U.S. relations. Without their elimination, the Taiwan question will always be a big stumbling block obstructing the smooth development of Sino-U.S. relations. The Chinese Government hopes the U.S. side can realize that normal Sino-U.S. relations not only are in keeping with the interests of China but with those of the United States as well. The U.S. Government must be as good as its word and make effective efforts to remove this obstacle in Sino-U.S. relations at an early date. Sino-U.S. relations can develop on a steady course only when the Sino-U.S. "Shanghai Communiqué," the "Communiqué on the Establishment of Sino-U.S. Relations," and the "August 17" Communiqué are strictly abided by.

On the question of Sino-Soviet relations, there has been progress as well as stagnation in recent years. Cooperation and exchanges in economy, trade, science, technology, and culture have further expanded. Since 1982, bilateral trade has increased by a large margin. Sino-Soviet trade reached 9.49 billion yuan in 1986. In addition, Sino-Soviet border talks, which had been interrupted for 9 years, were resumed in February 1987. We maintain that the development of Sino-Soviet relations is very important to the two great socialist neighbors. We are willing to improve and develop relations with the Soviet Union. Normalization of Sino-Soviet relations is in keeping with the wishes and vital interests of the people of our two countries and is conducive to Asian and world peace and stability. China has noted that the Soviet leader has repeatedly expressed the wish for a great improvement in Sino-Soviet relations, and China has always insisted that the socialist countries must strictly abide by the principles for peaceful coexistence.

However, although 11 rounds of political consultations on normalization of Sino-Soviet relations have been held since October 1982, no substantive achievements have been made in the political relations between our two countries. We are dissatisfied with this. The cause for our dissatisfaction is that the three major obstacles blocking the normalization of Sino-Soviet relations have not been removed. The Soviet Union has stationed massive forces in Mongolia; supported Vietnam's invasion of Cambodia and opposition to China, and sent troops to occupy Afghanistan. Particularly regarding the obstacle of Soviet support to Vietnam's occupation of Cambodia, the Soviet Union has not yet made up its mind to eliminate it. The reason for our insistence on the removal of the three major obstacles is that they violate the principle of peaceful coexistence and pose a threat to China. The Chinese leader has said that if it is difficult for the Soviet Union to remove the three obstacles all at once, it may remove one obstacle first, namely urging Vietnam to withdraw its troops from Cambodia. The Chinese leader has also expressed a willingness to meet his Soviet counterpart. But a necessary condition is that the Soviet Union must compel Vietnam to withdraw its troops from Cambodia as soon as possible. However, the Soviet leader has rejected this precondition for a Sino-Soviet summit proposed by China. We believe that the Soviet Union has both the responsibility and full ability to urge Vietnam to withdraw its troops from Cambodia. Without Soviet support, Vietnam simply cannot continue its war of aggression against Cambodia. On 3 November 1978, the Soviet Union and Vietnam signed a 15-year friendship treaty. The sixth article of that treaty is on Soviet-Vietnamese military cooperation. Based on this treaty, the Soviet Union has provided military and economic aid to Vietnam. It is a fact that the Soviet Union has supported Vietnam's aggression against Cambodia. Therefore, it is unconvincing for the Soviet Union to say that it is a "third party" in the Cambodia question. We hope that if the Soviet Union genuinely wishes to improve relations with China, it then must remove the three obstacles, particularly making

genuine efforts to compel Vietnam to withdraw its troops from Cambodia. If the Soviet Union does comply, it will mean a giant step taken toward the normalization of Sino-Soviet relations.

Commentary on 'New Global Trend' for Peace

HK1508101288 Shanghai SHIJIE JINGJI DAobao
in Chinese 8 Aug 88 p 3

[Commentary by reporter Pan Muping [3382 1970 1627] based in Washington: "Beat Swords into Plowshares—a New Global Trend"—first paragraph is SHIJIE JINGJI DAobao introduction]

[Text] Signs of "a quest for peace and dialogue" have suddenly appeared in areas of conflict all over the world. The main reason is that economic strength has increasingly become the most restraining factor. In the world to come, the United States and the Soviet Union will be inclined increasingly toward detente; the potential crisis of a civil war will exist in the "vacuum" country after troop withdrawal; the world arms industry will be impacted; and socialist countries will take advantage of a peaceful environment to accelerate the process of carrying out reforms and opening up.

A newly discovered trend that has subtly appeared recently all over the world has quietly attracted the great interest of observers, statesmen and economists here. This trend has yet to be confirmed. But its causes, the direction that it follows, and analyses and forecasts of its effects on world politics and the international economy in the days ahead seem to have increasingly aroused the concern of people in all circles.

The so-called new trend of development is made up of some seemingly isolated and not internally related phenomena:

—The Soviet Union is beginning to withdraw its intruding units from Afghanistan, just as the United States withdrew from Vietnam in those years.

—Vietnam has once again promised to end its nearly 10-year-old occupation of Cambodia by 1990. On 27 July, Cambodia's various parties at war held the first unofficial conference in Bogor, Indonesia, in a quest for peace.

—Angola, Cuba, and South Africa agreed in principle on 13 July to free themselves from the conflicts in the south of Africa. South Africa and Cuba would respectively withdraw their troops from that area, and promise independence for Namibia. South Africa put forward on 2 August the schedule for troop withdrawal.

—After nearly 8 years of ruthless fighting with Iraq at a cost of about one million lives to both sides, Iran on 18 July at last announced acceptance of UN Security Council Resolution No 598. Iraq has insisted on both

sides having a direct dialogue. But UN Secretary General Perez de Cuellar has expressed optimism about the prospect of a ceasefire....

If things are viewed with the above phenomena linked up, it seems that the world is taking a hopeful step in the direction of easing the tense situation and of peace. As to whether this will become a developing trend and its causes and consequences, observers here make the following analysis:

The sudden appearance of the signs of "a quest for peace and dialogue" in the hot points of conflict in the world is no coincidence. Small-scale bloody clashes have not for a moment stopped during the period of "dialogue," though. Just as former U.S. Deputy Defense Secretary (Pa-ka-de) [1584 0595 1795] said: "Obvious changes are really taking place in the world. The situation of confrontation is changing." Among these changes, the trend toward detente between the two superpowers—the United States and the Soviet Union—and the possibility of reaching a follow-up agreement on reducing strategic nuclear weapons and conventional weapons, after the signing of the "agreement on medium-range missiles," have produced a great effect on the whole world situation.

A more important factor leading to the above changes is that economic strength has increasingly become the most important foreign policy and a factor restraining war. Gorbachev's decision on the withdrawal of troops from Afghanistan was made in a situation where the Soviet Union could hardly make any further economic commitment to such a great burden as invading Afghanistan, supporting Vietnam's occupation of Cambodia, and maintaining Cuba's presence in the south of Africa. On the domestic front, the country, as described by Abalkin, director of the Economic Research Institute of the Soviet Academy of Science, "is going through a most difficult period. The situation has not been so bad in many years." Therefore, Gorbachev must concentrate all his strength on domestic reform. To this end, he has to readjust foreign policy. As far as Vietnam is concerned, people may not remember clearly how many times it has announced the withdrawal of its troops. But the worsening economic situation at home is a fact for all to see. Meanwhile, people also note that Iran and Iraq, both with rich oil resources, have been exhausted by eight years of war. Even given still richer oil resources, the enormous outlays for modern warfare are more than they can bear.

Cold facts have compelled people to admit that war is not an effective means of solving political problems. In the world of today, war can hardly bring any result but bloodshed.

Of course, as far as statesmen and economists are concerned, what is of greater interest to them is the likely effects of these changes on the international community.

The contest between the two superpowers in the world, and especially in the third world, will clearly diminish. Improved relations between the two countries will bring still greater hopes for an agreement on arms reduction at the earliest possible date. But it is quite clear that such a change is still a limited one, as things now stand. The Soviet Union is still supporting Vietnam, Cuba and the Nicaraguan Government. The United States will also not easily give up its support for the anti-government forces in Nicaragua.

The direct result of peace is not always peace. Various signs show that the day Soviet troops withdraw from Afghanistan may coincide with an outbreak of civil war among Muslims of various denominations in Afghanistan. Meanwhile, the Bogor conference of Cambodia's four parties did not produce any results, suggesting the possibility of an unfortunate "civil war."

Another concern of U.S. statesmen is whether these changes may lead to a summit between China and the Soviet Union. If the most important obstacle in Sino-Soviet relations—the Cambodia issue—is really removed, a further improvement in Sino-Soviet relations may change the current pattern of triangular relations among the United States, China and the Soviet Union. This will touch on the tender spot of the United States.

The most direct economic effect of the above changes is first the war industry. The relaxation of the tense situation in the "hot spots" in the world, the possibility of successful U.S.-Soviet negotiations on a reduction in conventional weapons, and the ceasefire between Iran and Iraq, have brought still greater pressures to bear on the "glutted" arms market. As far as the United States, the Soviet Union, Western Europe, Japan, and some third-world arms-exporting countries are concerned, employment and the foreign exchange balance will be affected to quite a large degree.

Given a ceasefire between Iran and Iraq, both sides will naturally rely upon a substantial increase in oil exports to heal a shattered economy. This may have an impact on OPEC member countries, or the "glutted" world oil market, accelerating the trend of a decline in oil prices.

The Soviet Union, China and Middle East countries will in a relatively stable international environment quicken the pace of carrying out economic reforms at home and opening up to the world. Economic ties between East and West will also be strengthened.

We must continue to watch the development of the world situation. It is too early to make a conclusion at present. But various countries should quickly readjust their own domestic and foreign policies. This is a matter of course.

China Profits From UN Development Program Aid
OW1208231388 Beijing XINHUA in English
1217 GMT 12 Aug 88

[Text] Beijing, August 12 (XINHUA)—China has got help from the United Nations Development Program for more than 200 key projects during the past decade, with most showing good economic results, today's ECONOMIC DAILY reported.

Research and the use of coal ash saves China a lot of cement every year, with now more than 70 percent of the coal ash in Shanghai, China's leading industrial center, used to manufacture building materials and to build apartments and highways.

The paper also said, imported technology and equipment have helped China increase cement, chemical fiber and vegetable output, and have helped to build geothermal power plants in Beijing and the Tibet Autonomous Region.

The UN Development Program has also trained technicians in various fields during the past decade, the paper said.

The paper quoted a UNDP Document as saying, "Cooperation with China is different from that with other countries, because China offers aid to other countries while accepting aid, and is one of the few countries which turn in membership fees higher than the required amount."

Of the 142 contracts China signed with developing countries in 1986, 96 involved aid from China and 46 were aid to China, the paper said.

China has also trained 1,632 technicians from 50 countries in the fields of marsh gas, silk production, fish breeding and acupuncture, the paper said.

The UNDP predicted China will be the UN Development Program's second largest beneficiary during the 1987-1991 period.

Li Yan Leaves for Zambia, West Germany
OW1408141888 Beijing XINHUA in English
1400 GMT 14 Aug 88

[Text] Beijing, August 14 (XINHUA)—Li Yan, deputy head of the Propaganda Department of the Chinese Communist Party Central Committee, left here tonight for Zambia and Federal Germany.

He will attend the congresses of the Zambian United National Independence Party and the German Social Democratic Party upon invitation.

U.S. Says Inspection Team Innocent of Wrongdoing
OW1308043688 Beijing XINHUA in English
2355 GMT 12 Aug 88

[Text] Washington, August 12 (XINHUA)—The U.S. State Department said today that members of the U.S. nuclear inspection team only attempted to bring back some items of "minor nature" as souvenirs and there has been "no formal protest" from the Soviet side against the incident.

Spokesman of the department Charles Redman said that members of the U.S. team at the Semipalatinsk site of the Soviet Union "packed some souvenirs and some unauthorized rock and core samples in their personal effects when leaving Semipalatinsk in mid-July."

These items were "certainly not of any military or technical significance," Redman explained.

Redman was referring to a WASHINGTON POST report today which said that a U.S. official and two employees of private companies stationed at Semipalatinsk, the Soviet Union's principal nuclear test site, were caught by Soviet authorities as they were trying to ship prohibited, potentially militarily sensitive Soviet materials to the United States.

But Redman said that the items included a small ordinary hammer, a piece of ordinary barbed wire, and several rock and core samples from a hole being drilled by the U.S. team as part of the U.S.-Soviet Joint Verification Experiment (JVE).

The rock and core samples, which the post reported are useful to assessing yields of Soviet nuclear blasts, were "of the same type" as those already provided to the U.S. team by the Soviet Union as part of the JVE program, Redman said.

"Permission to remove the geological samples was requested of Soviet officials by U.S. personnel," Redman said, adding that "they had reason to believe the request would be approved."

"There's been no formal protest," but Soviet officials asked that members of the U.S. team present at the inspection site be recalled, he said.

However, he noted that the Soviet Union has agreed with the United States on a finding that the persons present at the inspection were not the persons "responsible for the incident."

The Soviet Union has been informed of a U.S. decision that the persons found to be involved in the incident will not be returning to the Soviet Union for the JVE, Redman said.

He said that the issue, which has been discussed "at length" between the U.S. and Soviet officials "is being resolved."

He said that this incident did not affect the JVE program, which will continue as scheduled.

The U.S. portion of the program will take place as scheduled on August 17, while the Soviet phase of the JVE is set for mid-September.

United States & Canada

Xu Jiatun Answers U.S. Businessmen's Questions
HK1508093488 Beijing ZHONGGUO XINWEN
SHE in Chinese 0835 GMT 13 Aug 88

[Report by Xie Yining (6200 0001 1337): "Xu Jiatun Answers Questions Raised by U.S. Industrialists, Businessmen on 1997 Issue"]

[Text] Washington, 12 Aug (ZHONGGUO XINWEN SHE)—Today, at a luncheon given in his honor by the U.S. Chamber of Commerce and Mrs. Anna Chennault, Xu Jiatun, director of XINHUA News Agency, Hong Kong Branch, who is now on a private visit to the United States, answered some questions raised by U.S. industrialists and businessmen and reporters. The following is a transcript of the questions and answers:

Question: How do you link Hong Kong's unrestricted economy with China's restricted economic system? How do you unify Hong Kong and Chinese currencies?

Answer: It is impossible to unify the economic policies of Hong Kong and the mainland, because they are different. We cannot do it now or in the future. But we can make both policies combined with each other. In other words, the mainland can make a full use of Hong Kong's conditions, economic conditions, especially the condition of the Hong Kong people, and use Hong Kong as a gangplank in the effort to make the Chinese economy open up wider. It can promote its foreign development and introduce foreign funds and trade through Hong Kong.

Question: After Hong Kong is returned to China, what kind of legislative organ and legislative system will be established there? Once serious economic differences arise, how will China settle them? What kind of relationship will it be?

Answer: The future government of Hong Kong will be managed by the people of Hong Kong, practicing a high degree of autonomy. Once, as you have just said, economic differences arise, I think they will be settled in accordance with the Basic Law, which will provide concrete legal procedures for the future government of Hong Kong.

Question: Will there be any restrictions on the people of Hong Kong for their travel to the mainland and vice versa?

Answer: For the mainland people who want to visit Hong Kong after 1997, the current methods may continue to be used. First, there will be a limit for the number of immigrants. Second, there will be restrictions on entry permits and passports. It seems that it can only be more difficult for the mainland people to go to Hong Kong and it is unlikely to have the policy relaxed. For the Hong Kong people who want to visit China, the current methods will also be continued, and things may become even easier for them to do so.

Question: What will be the trade relations between Hong Kong and Taiwan after 1997? How will the Taiwanese people get their visa to the mainland through Hong Kong?

Answer: I think the current trade relations between Hong Kong and Taiwan will be continued and the trend will continue to develop. After all, as it is a domestic trade, the matter will be easier to handle. As to the Taiwanese people who want to go to the mainland, they may not necessarily go there by way of Hong Kong. They are doing so now, but I think it is but an expedient measure for the present and things may change in the future with the passage of time.

Question: You have just talked about the outflow of talents from Hong Kong, which shows that you are still unable to make the Hong Kong people believe that the future systems and way of life of Hong Kong will be the same as those of the United States. What will you do to make them believe that all this will remain unchanged in the future?

Answer: There are some historical reasons for the outflow of talents from Hong Kong. If people look ahead and have a good understanding of the policy of reform and opening up and the sincerity and conscientiousness of the Chinese government in implementing the Sino-British Joint Declaration, this problem will be gradually solved.

Question: Apart from keeping things unchanged in Hong Kong, what will China do to deal with the threats from some other Asian countries, such as Singapore, in economic competition?

Answer: Hong Kong has some special geographical, political, and economic conditions. A very important geographical condition is that the mainland of China is just behind it. This had much to do with the appearance of a new height in Hong Kong's economic development last year. Because of the devaluation of the U.S. dollar, which the Hong Kong dollar is linked to, Hong Kong's

entrepreneurs are making their products more competitive than those of Singapore, Taiwan, and South Korea by integrating their businesses with China's cheap labor. I think this situation will also be continued.

RENMIN RIBAO Article on U.S. Trade Bill

HK1508122888 Beijing RENMIN RIBAO
in Chinese 15 Aug 88 p 7

[Article by Wang Yi (3769 3015): "The U.S. Omnibus Trade Bill With Rich Protectionist Coloring"]

[Text] Editor's Notes: Recently the U.S. House of Representatives and Senate passed the Omnibus Trade Bill which is of strong protectionist coloring. The bill has violated the basic principles of the GATT. Western Europe, Japan and other countries have had a strong reaction to it. China's Ministry of Foreign Economic Relations and Trade has also pointed out that the enforcement of the bill will produce a negative influence over world trade, and Sino-American trade in particular. Today, we publish an article by Comrade Wang Yi, which gives a summarized account of the bill. [end editor's notes]

On 13 July and 3 August, the U.S. Senate and House of Representatives passed by an overwhelming majority the revised Omnibus Trade Bill (the full name of the bill is "The 1988 Trade and Competition Omnibus Bill") If this 1,100-page bill, which has been repeatedly discussed over the past 3 years and is full of protectionist coloring, is signed by the U.S. President and becomes effective, it will mark the broadest changes in U.S. policy for foreign trade since World War II.

The main content of the Omnibus Trade Bill is reflected in the following three aspects.

I. Authorizing the U.S. Government to take part in the multilateral trade talks of the GATT. According to the U.S. Constitution, the power for foreign trade is in the hand of the congress. To take part in the multilateral talks of the GATT, the U.S. President must be authorized by the Congress. The Omnibus Trade Bill has further expanded the President's "authorized power for talks," which includes the following. Prior to 31 May 1993, the President has the power to reduce tariff without the approval of the congress. Of course, there is a limit to the reduction. The biggest reduction must not exceed 50 percent of the existing tariff rate. With regard to tariff rate of less than 5 percent, it can be reduced to zero. However, if the reduction exceeds the above-mentioned limit, it should be approved by the Congress. What merits our attention is that there is a special clause in the Omnibus Trade Bill, regarding the participation of countries with "state-operated trade systems" in the GATT. According to the clause, when a big country intends to join the GATT, the president will determine whether the state-operated trading enterprises of the country have accounted for a major proportion of the exports of the country, and whether the country has

"improperly" levied heavy tax on, restricted, or exercised detrimental influence over the foreign trade of the United States. In light of the situation, the President will determine whether the country with state-operated trading system is suitable for the GATT. Once this clause has become a law, this will add a new obligation and an obstacle to the procedure of China's restoration of its seat in the GATT. We cannot but pay attention to this.

II. Setting the goals of the United States in the multilateral trade talks. The Omnibus Trade Bill has stipulated the three goals for general talks of the United States in the "Uruguayan Round" of negotiation, and the specific goals of various topics for discussion. The so-called three goals for general talks include: 1. Winning for the United States a more open, fairer and more mutually beneficial market. 2. Reducing and abolishing trade barrier and other policies and conducts which obstruct trade. 3. Achieving a series of more effective rules and procedures for international trade. In addition, the bill has also stipulated the specific goals of the United States in various topics for discussion. The U.S. goals of talks set by the bill have disregarded and harmed the interests of developing countries in certain aspects, and violated the aim of the GATT. For example, the "Ministerial Declaration of the Uruguayan Round" of negotiation has stipulated that more preferential treatment should be given to developing countries. However, according to the goals of talks set by the Omnibus Trade Bill, those developing countries are unilaterally required to take "full responsibility." As far as imports and exports are concerned, they are required to perform a "fair" obligation. The bill has tried hard to reduce the nonreciprocal trade benefits enjoyed by developing countries.

III. Strengthening the laws and regulations of trade protectionism. Through the bill, the U.S. Congress amends and replenishes the existing trade protectionist legislation, which mainly includes the following.

1. Strengthening the authorized power for taking retaliatory action. According to the bill, the authorized power for taking retaliatory action against "unfair trade" of foreign countries will be transferred from the U.S. President to the U.S. trade delegates. The bill has expanded the scope of possible retaliation. Retaliation will be taken against trade surplus, and the so-called "irrational" and "discriminatory" conducts of violating labor right, the Government's rights for procurement, telecommunication service, and intellectual property right, and so on.

2. Strengthening protective measures. The bill has demanded that within 120 days after receiving complaints about severe damage to U.S. imported goods, the International Trade Commission must obtain a statement of damage, and present a proposal to the President on handling the matter within 6 months. The President is empowered to issue an order on taking various protective measures such as restricting imports, readjustment of production setup, market arrangement in an

orderly way, and so on. This stipulation is more beneficial to the declarants at home. The bill has also stipulated that under urgent conditions, makeshift measures can be taken to restrict imports, and the duration of the restriction of imports can be as long as 8 years.

3. Raising the antidumping tax and the antisubsidy tax. The bill has further revised the antidumping bill and the antisubsidy bill and expanded the personal right of starting legal proceedings, so as to protect some domestic industries which are facing competition.

4. Increasing subsidies for export of agricultural products. The omnibus trade bill has set the target for U.S. representatives to attain in the negotiations on the trade of agricultural products and has authorized the Government to increase "sale loans" (as a form of export subsidies). If the United States still fails to make satisfactory progress in approaching its target regarding the trade of agricultural products during the "Uruguayan Round" of negotiations by 1990, then the President will be entitled to appropriate these loans and instruct the secretary of agriculture to release subsidies to exporters of wheat, cereal, and soyabean. At the same time, the bill has substantially increased the allowance funds for export of two kinds of agricultural products.

5. The U.S. Congress has intensified protection for the intellectual property right. The U.S. laws concerned formerly in force allow U.S. patent holders to start legal proceedings at the federal court against those who sell imported goods in violation of their patent. Now the new Omnibus Trade Bill will expand the range of application of the patent holders' right regarding legal proceedings, and the plaintiffs will no longer be required to produce any proofs of actual damage. According to this bill, the authority formerly vested in the President to retaliate against foreign violation of U.S. intellectual property right is now shifted to U.S. trade representatives.

6. With regard to service trade, the Congress has made every effort to explore the international market for the U.S. service trade. The Omnibus Trade Bill provides that U.S. trade representatives shall seek to introduce a policy of "mutual benefit" regarding service trade in the field of telecommunications and that those countries which fail to provide mutually beneficial opportunity to the United States are possibly subject to retaliation.

7. With regard to restrictions on investment, the laws currently in force provide that the U.S. President can exercise an emergency power to stop foreign investments in the United States. To cope with huge purchase of U.S. landed properties and enterprises by Japan and other countries, the bill has expanded the President's power that is to say, the Present is empowered to consider an interruption of any efforts made by foreign countries to take over U.S. companies.

Apart from the above, also incorporated in the Omnibus Trade Bill are some new provisions concerning purchase by the Government, charges on import, restrictions on import of steel products, and so on. With regard to state security, the bill has specially banned Toshiba Company of Japan and Kongsberg Munitions Factory of Norway from selling their products to the United States in the next 3 years, as a "sanction" against their export of technology and equipment to the Soviet Union.

In raising the Omnibus Trade Bill again, the United States has aroused strong reaction from Western Europe, Japan, and other trade partners. The mass media in all these countries all agree that this trade bill will undermine international free trade and intensify trade conflict. They have urged President Reagan to veto this bill again. People are waiting to see what move the U.S. Government is going to take.

Soviet Union

PRAVDA Profiles Deng Xiaoping

OW1408194688 Beijing XINHUA Domestic Service
in Chinese 1408 GMT 12 Aug 88

[Text] Moscow, 12 Aug (XINHUA)—The Soviet newspaper PRAVDA today devoted half a page to an article by Barakhta on Deng Xiaoping and accompanied it with pictures.

The article begins by introducing the grand military review and parade in front of Tiananmen marking the 35th founding anniversary of the People's Republic of China. It notes that the fact the parade did not carry any portraits of Chinese leaders was an important political characteristic of China undergoing reform.

Barakhta says in the article that the 3d Plenary Session of the 11th CPC Central Committee adopted, in accordance with Deng Xiaoping's proposal, the important strategic decision of shifting the focus of the work of the party and the nation to socialist modernization. At first, many people did not understand this important shift. However, practice has shown that Deng Xiaoping's proposal is correct.

The article briefly introduces Deng Xiaoping's revolutionary career from his days as a part-time student working and studying in France to the 13th CPC Congress as well as his daily routines, interests and hobbies, and family. The article also mentions that TIME magazine of the U.S. named him Man of the Year in 1985.

The article says in conclusion that Deng Xiaoping is respected mainly because of the decisive role he played in effecting the historical shift of the party's policy. Deng Xioping has opened a new page in the history of the CPC and the PRC.

'Special Dispatch' Views CPSU Conference
HK1308024588 Beijing BAN YUE TAN in Chinese
No 14, 25 Jul 88 pp 54-57

["Special Dispatch" from Moscow by contributing correspondent Zhu Chengjun (4555 2110 6511): "Heated Debates at the CPSU Conference"]

[Text] After 4 days of discussion, the 19th CPSU National Conference ended in Moscow on 1 July. The meeting was held in an intense and lively way. There were quite a few dramatic scenes at the meeting, giving people a deep impression. The media held that it was an important meeting aimed at deepening the reform and making the reform irreversible.

The conference was decided upon at the plenary session of the CPSU Central Committee in June last year. The agenda included examination of the implementation of the resolution of the 27th CPSU Congress in February 1986, the principal achievements scored in the first half of the 12th 5-Year Plan (1986-1990), the party's tasks in the course of deepening the reform, and the question of further implementing democratization by the whole party and the whole country. But the focal point of the discussion is the reform of the political structure.

About 5,000 delegates from all parts of the Soviet Union attended the conference. Inside and outside the conference hall in the Kremlin, in the streets, and on the squares, there was an extraordinarily warm atmosphere of people paying close attention and discussing the reform.

Extensive promotion of democracy is a great distinguishing feature of the party conference. Two months ago, the CPSU Central Committee announced the outline for the party conference. People in all parts of the country extensively and enthusiastically discussed this outline and put forward numerous constructive proposals. PRAVDA has received over 75,000 letters from its readers. People's attention has been concentrated on the reform of the party, the leaders' terms of office, the separation of party functions from government functions, and the expansion of power of the soviet. The reform of the political structure is related to the destiny of the state. For this reason, newspapers, radio stations, and television stations in various places have become the arenas of debate.

Foreign delegations or public figures were not invited to the conference, but what drew people's attention was that nonparty persons were specially invited.

When the conference was opened on 28 June, Mikhail Gorbachev, general secretary of the CPSU Central Committee, delivered a report entitled "On the Implementation of the Resolution of the 27th CPSU Congress and the Tasks of Deepening the Progress of Reform." After that, there were many speeches at the general meetings. About 300 people entered their names to speak at the

general meeting, but only 60-odd people were able to speak on the rostrum. As a result, 150 people had to go to the meetings of the document-drafting committee to air their views.

The speakers not only read their manuscripts but also bluntly put forward various suggestions and criticisms. In their sharp remarks, some delegates touched upon matters of common concern to people. When some delegates spoke on the rostrum, other people were allowed to chip in or argue. Take as an example the question of how to assess the economic situation since the reform was conducted 3 years ago. Noted Soviet economist Abalkin held that there has been positive progress in the past 3 years but there has not been a fundamental turning point. However, Arbatov, academician of the Academy of Sciences, refuted his pessimistic argument by saying that ideological emancipation and conceptual changes are the remarkable achievements of the reform.

The essence of Gorbachev's report concerned reform of the political structure, which, he held, was a guarantee to make the entire reform irreversible. When he unexpectedly put forward in his report a proposal that the first secretaries of the party committees should concurrently be the presidents of the soviets at the same level, many delegates raised objections, holding that it did not conform to the separation of party functions from Government functions and to the trend of modern democracy to concentrate upon one person the leadership power of the party and the soviet.

With regard to openness, some delegates held that the openness had gone too far and led to the practice of people "doing whatever they like." Some other delegates, however, quoted party documents to stress that without openness there would be no democracy, reform, and socialism. Openness means telling the truth and telling the people. This also involves the role and status of newspapers and periodicals and the press law. Some delegates criticized newspapers and periodicals for resorting to demagoguery, which confused the people's minds. They called for control over the newspapers and periodicals. Some delegates, however, said that it was very important to prepare public opinion for and exchange information on the reform, although there were deviations in a few articles.

Some delegates flew into a rage when talking about bureaucratism. They even regarded it as a stubborn enemy and called for the dismissal of the bureaucrats. But they had a vague idea on the criteria of "bureaucratism." Some delegates refuted this sweeping viewpoint, saying that administrative personnel should not be regarded as obstacles to reform nor should leaders be equated with bureaucrats.

The confrontation of ideas reached a climax when the conference almost came to an end: Yeltsin, former first secretary of the Moscow city party committee, took the

floor. He held that the Soviet Union has not made revolutionary innovations in the last 3 years and more. He also called for his rehabilitation. Ligachev, member of the Politburo of the CPSU Central Committee in charge of central organization work, categorically refused to rehabilitate Yeltsin's political reputation. In his closing address, Gorbachev also devoted some passages to explain his view on Yeltsin. He held that, when Yeltsin was the number one man in Moscow, he did a lot of work. However, when specific issues needed to be solved following the deepening of the reform, instead of relying on the party and the masses, he yelled and issued administrative orders. He also acted rashly in dismissing and replacing cadres. Eventually he made errors of a political nature.

The seven resolutions passed by the conference drew the outline of the reform of the political structure for some time to come. The meeting also took strong measures, which were chiefly as follows:

First, it is stipulated that in future inner-party elections it is necessary to extensively discuss the candidates and to implement the principle of secret ballot and the system of elections where candidates exceed the number of seats. Party institutions from the central to the district levels should be elected for a term of 5 years. Standing committee members of the party committee and members of the secretariat, including the members of the Politburo of the CPSU Central Committee and the general secretary, can only be reelected for two consecutive terms.

Second, in the future the first secretaries of the party committees at all levels will be recommended to concurrently become the presidents of the soviets at the same level so as to raise the role of the soviet representative institutions. This means that the general secretary will probably be president of the Supreme Soviet.

Third, on the prerequisite of separating the party from the Government, the powers of the soviet will be expanded. It has been decided that a new highest organ of state power—the people's congress—will be set up. It will consist of 2,250 people and will hold a meeting annually to discuss important state affairs. To separate the judiciary from the executive branch, it is stipulated that members of the local soviet executive committees at all levels and the responsible persons of their different departments and bureaus, judges, state arbitrators, and chief procuratorates are not allowed to become soviet deputies.

Fourth, to overcome bureaucracy, it is decided that the functions and work methods of the central ministries and commissions will be reformed, the power will be delegated to the lower levels, and the organizations will be streamlined. In the future, the leading cadres of the

party, up to the secretaries of the CPSU Central Committee, should frequently meet party members and laboring people to help them solve various problems which can be solved.

The conference represents another step taken by the CPSU on the path of deepening the reform. The achievements of the meeting will certainly exert a far-reaching influence in advancing Soviet reform.

Soviet Population Policy Problems Examined
HK1308093088 Beijing RENMIN RIBAO
in Chinese 11 Aug 88 p 7

[Article by Zhou Xiangguang (0719 6272 0342: "Problems Resulting from Encouraging Childbearing in the Soviet Union")]

[Text] The Soviet Union always encourages childbearing among the people and never imposes any control on the population growth, because this country has a vast territory which is sparsely populated and it is short of labor. However, for a number of years, the number of families with many children has been decreasing. Especially in Russia, Ukraine, and the Baltic coastal areas, as well as some large cities, this phenomenon is more obvious.

Some Soviet demographic experts hold that this phenomenon is attributable to two major reasons: First, families with many children have to bear heavier economic burdens; and second, there are difficulties in solving the housing problem.

In the Soviet Union, a family with four or more children is called a family with many children. At present, this kind of family accounts for only 7 percent of the total number of families in the whole country. Most of them are living in more difficult conditions. According to statistics, in Leningrad the average monthly income of housewives in families with many children is only 60 to 80 rubles, which constitutes only one-third of the national average income for workers. Most of these housewives did not receive professional or vocational education, so they can only work as unskilled workers, such as cleaners, and earn modest incomes. The male breadwinners in these families earn an average monthly income of 205 to 210 rubles. Although this figure is close to the national average, because these families have to raise many children, the per capita income of these families is only 30 to 45 rubles, which is much lower than the per capita national income in the Soviet Union of 100 rubles.

The government issues allowances to families that give birth to a fourth child at the rate of only 4 rubles per month. The allowances increase if a family has more children. If a family has seven children, then the allowance for each child will be 10 rubles a month. The allowances are issued until the youngest child is 5 years of age. There is a long period from the end of the

allowances to the children's economic independence, and this is the hardest time for families with many children. Now many young couples have realized that if they have one more child, their living standards will decline substantially.

The policy of encouraging childbearing has made the housing problem more serious. In Leningrad, about 71 percent of families with many children occupy a separate apartment; about 27 percent share an apartment with other families; and a further 1 percent live in collective living quarters. In fact, however, many families can only occupy an apartment with a mere 15 square meters of floor space. Families which apply for a larger apartment always have to wait for more than 7 or 8 years. In these circumstances, the more children a family has, the more crowded its living conditions will become. At present, in Leningrad, about 25 percent of the families with many children live in apartments of less than 4 to 5 square meters, and most families are waiting to be assigned larger or better apartments.

Some Soviet scholars hold that the problems of low wages and strained housing supply cannot be solved in the near future, so it is inadvisable to continue to increase the number of families with many children. Moreover, under the heavy economic burdens, the families with many children will find it hard to take proper care of the education and healthy growth of the children, and this will affect the quality of the country's population in the future.

2 Soviet POW's Refuse To Return Home

OW1208135288 Beijing XINHUA in English
0731 GMT 12 Aug 88

[Text] Islamabad, August 12 (XINHUA)—Two Soviet prisoners of war (POW) whom an Afghan resistance group had offered to hand over to the Soviet Union through the International Committee of the Red Cross (ICRC) have refused to return home, the local press reported today.

The report said that the two Soviets, who are from Uzbekistan in the Soviet Central Asia, were captured three years ago by the Afghan Islamic society, one of the components of the Afghan seven-party resistance alliance.

The reports quoted the two Soviets as saying that they would like to fight alongside with the Afghan guerrillas.

The officials of the International Red Cross Committee have twice met the two Soviet POWs but they are unwilling to accept the offer.

Both of them said that they have defected to the Afghan guerrillas and fought against the Soviet and Kabul regime troops.

The two Soviet POWs noted that they could not believe Moscow's promises that they would not be harmed upon their return and said that a number of Soviet POWs who returned home have been executed.

Earlier, Moscow listed 311 Soviet soldiers as missing in action in Afghanistan and said that most of them are in the hands of the Afghan resistance forces.

Northeast Asia

Commentary on 'Friendly' Relations With Japan

OW1408095088 Beijing XINHUA Domestic Service
in Chinese 0657 GMT 14 Aug 88

[Text] Tokyo, 14 Aug (XINHUA)—Commentary by XINHUA reporter Wang Dajun: Push the Sino-Japanese Friendly and Cooperative Relations Into a New Stage

On the jubilant occasion of the 10th anniversary of the Sino-Japanese Treaty of Peace and Friendship, the Japanese prime minister will visit China on 25 August and hold consultations with Chinese leaders on further developing bilateral friendly and cooperative relations. This will be a major event of far-reaching significance in the political life of the Chinese and Japanese people.

The Sino-Japanese Treaty of Peace and Friendship was signed on 12 August 1978. Since it became effective on 23 August 1978, it has pushed the Sino-Japanese diplomatic relations, normalized in 1972, into a brand-new stage of friendship and cooperation. In the last 10 years, the Governments and peoples of China and Japan have made great efforts to develop bilateral relations in accordance with the principles and spirit of the Sino-Japanese Joint Statement and the Sino-Japanese Treaty of Peace and Friendship. There have been good results of exchanges and cooperation between the two countries in the political, economic, scientific and technological, and cultural fields.

In the political field, exchange of visits between the leaders of the two countries and scheduled meetings of Government officials, meetings of nongovernmental personages and meetings of the 21st Century Committee for China-Japan Friendship between the two countries have promoted mutual-understanding, clarified orientation, ensured a sound development of Sino-Japanese friendly relations, and have become important factors for stability in Asia.

In the economic field, bilateral trade volume in 1987 increased by 260 percent over that of 10 years ago. Presently, the trade deficits suffered by the Chinese side for several years have been remarkably corrected. During the last 10 years, the two sides have started about 400 joint ventures.

In the exchange of personnel visits, the total number of personnel who visited each other's country in 1987 was 10.5 times that of 10 years ago. There were no Chinese

students in Japan and only 52 Japanese students in China 10 years ago. At present, there are 17,000 Chinese students studying in Japan and 2,000 Japanese students studying in China.

At present, 107 Chinese provinces, counties, cities, and districts established friendly relations with their Japanese counterparts. The peoples in the two countries have promoted mutual understanding and friendly feelings toward each other through various avenues. Sino-Japanese friendship has further taken root in the hearts of the people.

The path traversed by China and Japan in the past decade has not been completely smooth. There were some ups and downs on the path. Even now, there remain problems, such as incidents about facing up to Japan's history of aggression and altering the contents of the textbooks in Japan and about Government members visiting the Yasukuni Shrine and making erroneous statements; the case of Kokuryo Dormitory involving the issue of "One China, One Taiwan"; and the limit of Japanese manufacturers' exports to China on the basis of COCOM regulations which were left over from the cold war period.

All these issues involve the major political principles concerning the relations between the two countries. They will affect the development of the relations of friendship and cooperation between the two countries if they are not properly solved as soon as possible. However, problems of this category can be solved as long as efforts are made to proceed from the principles of the China-Japan Joint Statement and the Sino-Japanese Peace and Friendship Treaty.

We have noted that Japanese Prime Minister Noboru Takeshita has stressed more than once the importance of Japan-China relations since he formed the cabinet in November last year. Prior to his upcoming visit, he sent, on separate occasions, Japanese Foreign Minister Sosuke Uno and special envoy Masayoshi Ito to visit China, indicating that the Japanese Government respects the Joint Statement, the Peace and Friendship Treaty, and the four principles for friendship between Japan and China. On the occasion of the 10th anniversary of the signing of the Sino-Japanese Peace and Friendship Treaty, he once again said: "To maintain and develop a fine, long-term stable relationship with China is one of the important pillars in our foreign affairs." He also said: "The Government will do its best to cooperate with China in developing its modernization program; and further expand the relations between the two countries on the basis of the Japan-China Joint Statement, the Japan-China Peace and Friendship Treaty, and the four principles for friendship between Japan and China."

Looking forward to the future, the prospects for friendship and cooperation between China and Japan are brighter than ever before. Politically, if the Japanese

Government can properly handle the problems in Sino-Japanese relations, the obstacles and hidden dangers in further developing the bilateral relations can be greatly removed. Economically, the Japanese Government promotes its policy to change its export-oriented economy into an import-oriented economy. The Chinese Government will continue to persistently push its reform and opening policy. This will provide a historically unprecedented fine opportunity for the further development of economic, trade, and technological cooperation between China and Japan.

We look forward to the successful visit of Prime Minister Takeshita. We also look forward to the joint efforts made by the two Governments to lose no time in promoting the fine relations of friendship and cooperation between Japan and China to reach a new level.

Japanese Officials Mark Amity Treaty Anniversary
OW1308000788 Beijing XINHUA in English
1341 GMT 12 Aug 88

[Text] Tokyo, August 12 (XINHUA)—Japan today hailed the 10th anniversary of the signing of a Peace and Friendship Treaty between China and Japan and said it is determined to develop relations with China.

According to local press reports, Foreign Minister Sosuke Uno spoke highly of the pact, saying it has greatly contributed to close Tokyo-Beijing relations and political stability in Asia.

Uno also said both China and Japan should maintain the treaty, signed in Beijing in 1978, for ever.

The foreign minister was quoted by the reports as saying he hopes the planned visit to China by Prime Minister Noboru Takeshita late this month will accelerate the two countries' friendly ties toward the 21st century.

Chief Cabinet Secretary Keizo Obuchi told Japanese reporters that the Government will help China in its modernization efforts as much as possible and expand bilateral relations.

He said one of Japan's important foreign policy pillars is to maintain and develop long-term, stable relations with China.

The Government spokesman was quoted as saying that there has been remarkable progress in friendly exchanges during the past 10 years after the 2 countries signed the friendship pact.

On Thursday, Prime Minister Takeshita said Japan will continue to maintain and develop long-term stable relations with China and provide every possible assistance to its modernization program.

Leading Japanese newspapers and news services also carried editorials today to mark the occasion.

Japan's Takeshita Urges Amity 'Memorial'
OW1308004788 Beijing XINHUA in English
1517 GMT 12 Aug 88

[Text] Tokyo, August 12 (XINHUA)—Prime Minister Noboru Takeshita said today that he hopes to establish some kind of memorial to mark the 10th anniversary of the Japan-China peace and friendship treaty, the KYODO News Service reported.

Takeshita revealed the idea during a meeting at his official residence with Masayoshi Ito, chairman of the decision-making council of the ruling Liberal Democratic Party (LDP).

The prime minister said he will discuss the concept with Chinese leaders during his visit to China on August 25-30, KYODO said.

Ito, who also heads an inter-party parliamentarians' group for the promotion of Japan-China relations, urged Takeshita to build personal rapport with Chinese leaders, KYODO quoted LDP sources as saying.

The Peace and Friendship Treaty between China and Japan was signed in Beijing on August 12, 1978 and ratified 2 months later.

Southeast Asia & Pacific

Burmese President U Sein Lwin Resigns 12 Aug
BK1308124188 Beijing International Service
in Burmese 1130 GMT 13 Aug 88

[Text] The Burma Broadcasting Service has reported that U Sein Lwin resigned as president of Burma and chairman of the Burma Socialist Program Party (BSPP) yesterday.

Demands have been made for U Sein Lwin's resignation during demonstrations held for 5 continuous days throughout Burma.

U Sein Lwin became president of Burma and BSPP chairman on 26 July.

'Roundup' on Resignation
OW1408125388 Beijing XINHUA in English
1229 GMT 14 Aug 88

["Roundup: Why Burma's President U Sein Lwin Resigned Shortly After He Was in Office (by Zhang Yunfei)"]—XINHUA headline]

[Text] Rangoon, August 14 (XINHUA)—Only 18 days after being in power, U Sein Lwin had to resign as chairman of the ruling Burma Socialist Program Party and president of Burma (chairman of the Council of State) the day before yesterday.

U Sein Lwin, 64, took over the post as the party leader on July 26 after former party Chairman U Ne Win resigned and on July 27 succeeded U San Yu as president of the state.

Although he claimed that he would adopt the policy of economic reform, U Sein Lwin did not satisfy the people, especially the students who were angry at his role in the suppression of dissent throughout the 26-year rule of his predecessor U Ne Win.

Since Sein Lwin came into power, Burma had been hit by more unrest.

On August 3, some Burmese students marched through downtown Rangoon, the capital, demanding that U Sein Lwin step down and in the evening the authorities proclaimed a state of emergency and martial law in Rangoon.

On August 8, students, workers, civilians and monks took part in street protests in defiance of the martial law in Rangoon. Meanwhile, demonstrations spread to more than ten other cities. The police opened fire to quell the demonstrations in three cities.

On August 9, the disturbances took place in 25 cities in Burma.

According to incomplete statistics issued by the Burmese authorities, in the past few days, nearly one hundred demonstrators were shot dead, about two hundred people injured and over one thousand people arrested. Policemen and soldiers also suffered some casualties.

Observers here said the root cause of the turbulent situation in Burma lay in its economic difficulties and the direct cause was the students' bloody rioting last March and campus upheaval in June.

Under such circumstances, U Sein Lwin resigned as the party chairman and president of Burma, as well as the member of the party Central Committee and member of parliament.

Sein Lwin's resignation has made it possible to ease the present tension. However, people will wait and see whether the political situation in the country will continue to be stable, observers said.

The Central Committee of the ruling party in Burma and the People's Assembly are scheduled to meet on August 19 to decide on the new leadership.

Observers said that only when the new Burmese leaders properly deal with the problems arising from the riots and demonstrations, promptly and effectively carry out the economic reform policy and promote democracy in the country, will Burma be able to extricate itself from the dilemma.

Commentary on Resignation

BK1508142988 Beijing International Service
in Burmese 1130 GMT 15 Aug 88

[XINHUA correspondent commentary: "Why U Sein Lwin Resigned"]

[Text] U Sein Lwin, who was chairman of the ruling Burma Socialist Program Party and the president for less than 20 days, had to resign from those posts on 12 August following a turbulent situation in the country. U Sein Lwin, who was elected as the party chairman and the president at the end of July, declared that he would introduce economic reforms. But the students were completely dissatisfied with U Sein Lwin's rule, and the other people also shared this feeling.

In a matter of days following the ascension to power of U Sein Lwin, the already turbulent situation turned worse. On 3 August, students staged protests in the heart of Rangoon and demanded the resignation of U Sein Lwin. Martial law was declared that same evening.

On 8 August, students, workers, civilians, and monks marched and staged protests in defiance of martial law and unanimously demanded the resignation of U Sein Lwin. On the same day, students and the masses in another 14 to 15 cities held demonstrations. Demonstrations and riots continued thereafter, and the situation turned chaotic.

On 9 August, mass demonstrations and disturbances broke out in Rangoon and 24 other cities. Although a curfew was imposed in Rangoon on 7 August, disturbances and demonstrations did not stop.

According to incomplete statistics issued by the Government, about 100 people were killed and over 200 wounded by gunfire within a matter of days. Several soldiers and police were also casualties.

Observers said the root cause of the turbulent situation in Burma lay in the worsening economic difficulties. They attribute the direct cause to the bloody event involving students in March and to student movements in June.

Although the situation has become calmer in the past 2 days, it is still very tense. Under such circumstances, U Sein Lwin resigned as the party chairman, president, and member of the People's Assembly. Observers believe that his resignation has made it possible to ease the present tension. However, whether the political situation will become stable is yet to be seen.

Observers say that only when the person chosen leader on 19 August properly deals with the problems arising from the riots and demonstrations, promptly and effectively carries out the economic reform policy, and promotes democracy in the country will Burma be able to extricate itself from the dilemma.

Students Demand Referendum

BK1408124088 Beijing International Service
in Burmese 1130 GMT 14 Aug 88

[Text] XINHUA news agency reported that the Burma Broadcasting Service [BBS] announced on the evening of 12 August that the Burma Socialist Program Party [BSPP] and the People's Assembly [as heard] have accepted U Sein Lwin's request for permission to resign from the party chairmanship and presidency.

The BBS announced that a meeting of the BSPP Central Executive Committee accepted the resignation immediately and convened a BSPP Central Committee meeting for 19 August.

The State Council also issued a proclamation signed by U Kyaw Htin, State Council secretary, on 12 August announcing that U Sein Lwin had resigned from the post of the presidency and from the People's Assembly.

Another proclamation signed by U Aye Ko, State Council vice chairman, said an emergency session of the People's Assembly will meet on 19 August.

U Sein Lwin became the leader of both the party and state at the end of last month. Students and the people have been condemning U Sein Lwin for his suppression of the student movement that resulted in hundreds of deaths and casualties in March and June of this year. The majority of the people believe U Sein Lwin was directly responsible for the bloody incidents. Hence, beginning on 8 August, demonstrations were held for 5 consecutive days throughout Burma. When the authorities brought in troops and police to quell the demonstrators, hundreds of people were killed and more than 1,000 others were wounded. Diplomats in Rangoon believe that U Sein Lwin had to resign because of the massive anti-government protests that made Burma uncontrollable.

Rangoon was calm yesterday following the U Sein Lwin's resignation from the BSPP chairmanship and the presidency. Yesterday, troops were withdrawn from Rangoon, and people removed the barriers on the streets. Rangoon was silent with no sound of gunfire or protests.

The BSPP Central Committee and the People's Assembly decided to hold emergency sessions on 19 August to elect a new leader following the resignation of U Sein Lwin on 12 August.

Students have put up posters in Rangoon demanding a national referendum to decide on the single-party dictatorship.

A curfew remains in force in the city.

Government Appeals for Order

*BK1508122888 Beijing International Service
in Burmese 1130 GMT 15 Aug 88*

[Text] THE GUARDIAN, published by the Burmese Government, appealed to the people in its editorial yesterday to help the Government in its efforts to restore peace and law and order.

The situation in Rangoon appears to have calmed following the resignation of U Sein Lwin as president and chairman of the ruling Burma Socialist Program Party on 12 August.

THE GUARDIAN editorial said it was of utmost importance to have peace and calm throughout the country particularly at a time when the state was about to introduce economic changes to improve the standard of living of the people in accordance with their wishes.

Sihanouk Meets With PRC Ambassador in Tokyo

*OW1308142688 Beijing XINHUA in English
1113 GMT 13 Aug 88*

[Text] Tokyo, August 13 (XINHUA)—Kampuchean resistance leader Prince Norodom Sihanouk told the Chinese ambassador to Japan here today that Vietnam should withdraw all its troops from Kampuchea by 1989 instead of 1990.

Sihanouk, who arrived here Monday for an eight-day visit, also told Ambassador Yang Zhenye that Kampuchea should be an independent and neutral country run by a four-party government headed by himself.

He proposed international conferences be held to discuss the issue.

Yang told the prince that the key to a political settlement of the Kampuchea problem is the pullout of all Vietnamese troops from Kampuchea.

China will continue its support for the three resistance groups now fighting Vietnamese invaders, he said.

'Three-Point Stand' Reported

*BK1408125288 Beijing in Cambodian to Cambodia
1030 GMT 14 Aug 88*

[Text] According to our station correspondent in Tokyo, the Japanese newspaper SANKEI SHIMBUN reported that on 12 August in Tokyo, Samdech Sihanouk declared his three-point stand on his future negotiation with Hun Sen.

The three-point stand is as follows:

1. Vietnam must withdraw all of its troops from Cambodia in two stages before the end of 1989;

2. To form a provisional Cambodian government, it is imperative to dissolve the Phnom Penh regime and hold a free election under the leadership of the provisional government and with international supervision;

3. An international conference on the Cambodian problem must be held under the chairmanship of the UN secretary general and during the conference, an international control committee must be established to supervise the Vietnamese troop withdrawal and the free election.

Samdech Sihanouk made this statement unofficially.

Earlier, the samdech said that in November [as heard] of this year, he will hold a third negotiation with Hun Sen in Paris.

Leaves Japan for Beijing

*OW1508082888 Beijing XINHUA in English
0800 GMT 15 Aug 88*

[Text] Tokyo, August 15 (XINHUA)—Samdech Norodom Sihanouk of Kampuchea left here for Beijing today after an eight-day visit to Japan.

Sihanouk arrived in Tokyo on August 8 at the invitation of the Foreign Ministry of Japan to pay a visit aimed at getting cooperation and support from Japan for peaceful solution of the Kampuchea issue.

Observers here described the visit as an indication of the Japanese Government's concern over and its desire to play a more important role in the political solution of the Kampuchea issue.

While in Tokyo, Sihanouk had talks with Prime Minister Noboru Takeshita, Foreign Minister Sousuke Uno and other officials of the Japanese Government on ways to achieve an early settlement of the Kampuchea problem. Japanese leaders said they support actively actions of Sihanouk for solving the Kampuchea problem.

Sihanouk also met and talked with Chinese Ambassador to Japan Yang Zhenya, U.S. Ambassador to Japan Mike Mansfield and the ambassadors of ASEAN countries here.

Public opinion here consider that Sihanouk had play an active "diplomacy in Tokyo". [sentence as received]

Arrives in Beijing

*OW1508070488 Beijing XINHUA in English
0655 GMT 15 Aug 88*

[Text] Beijing, August 15 (XINHUA)—Samdech Norodom Sihanouk and Madame Sihanouk arrived here from Japan this afternoon.

They were met at the airport by Chinese Vice-Foreign Minister Liu Shuqing as well as diplomatic envoys of Democratic Kampuchea, Japan and Thailand.

Statement on Support for Khmer Rouge Reported
BK1208130988 Beijing in Cambodian to Cambodia
1030 GMT 12 Aug 88

[Text] During a news briefing on 11 August, a reporter asked: According to foreign reports, many people in the world regard the Khmer Rouge as the main obstacle preventing the settlement of the Cambodian problem and think that China should stop giving them arms. What does China think about this?

The spokesman of the Chinese Foreign Ministry answered: It is our view that the key to a political settlement of the Cambodian problem lies in the early and genuine withdrawal of all the Vietnamese troops from Cambodia.

To divert attention and not to concentrate efforts on pressing Vietnam to withdraw its troops will only help the Vietnamese aggressors achieve the goal that they have failed to reach on the battleground, and this is not favorable to the search for a political solution to the Cambodian problem. The provision of Chinese assistance to the three Cambodian patriotic forces, including the Khmer Rouge, is done to uphold justice, safeguard the norms of international relations, and support their fight against the aggressors.

So long as Vietnam does not withdraw all its troops from Cambodia, China, along with other countries and peoples who uphold justice and are opposed to Vietnamese aggression, will continue to support the tripartite Cambodian patriotic forces. This principled stand of China is absolutely firm and unswerving.

When asked by the correspondent about China's attitude toward the future Cambodian government, this spokesman said: China hopes that Cambodia will become a truly independent, peaceful, neutral, and nonaligned country under Samdech Sihanouk's leadership. China is not in favor of any party monopolizing power nor the exclusion of any other party.

French Denial of PRK Embassy Reopening Cited
BK1408130488 Beijing in Cambodian to Cambodia
1030 GMT 14 Aug 88

[Text] On 11 August, the French Ministry of Foreign Affairs issued a statement rejecting a report that France will reopen its embassy in Phnom Penh before the end of this year. The statement said that only after an independent government representing the Cambodian people is formed in Phnom Penh will France reopen its embassy there.

Last week, a magazine in Paris and Hanoi radio reported that France is prepared to reopen its embassy in Phnom Penh before the end of this year. The French Ministry of Foreign Affairs spokesman reiterated that France supports Samdech Sihanouk, who has made every effort to

restore Cambodia's sovereignty and to regain freedom for the Cambodian people. The French Government closed its embassy in Phnom Penh in April 1975.

Near East & South Asia

Pakistan's Ambassador Discusses 'Model' Relations
OW1208225288 Beijing XINHUA in English
0933 GMT 12 Aug 88

[Text] Beijing, August 12 (XINHUA)—The Sino-Pakistan relations have been widely described as a model of friendship between two countries on the basis of the Five Principles of Peaceful Coexistence, Pakistan Ambassador to China Akram Zaki said here today.

In an interview with XINHUA, the ambassador said, "Although our social systems and ideology are different, we have over the years developed a friendship on the basis of mutual respect for each other's sovereignty, equality and mutual benefit and the principle of non-interference in each other's internal affairs."

The ambassador hoped that other countries would live together on the same basis so that peace and security in the world can be stabilized and people concentrate all their energies on the economic and social development.

Since Pakistan and China established diplomatic relations, he said, leaders of both countries have kept regular exchange of visits. President Mohammad Ziaul Haq will visit China in a near future, he added.

"China and Pakistan share common perspective on peace and security in this region and they are both striving for maintaining the stability in the area," he said.

In the economic field, China has participated in Pakistan's development program, the ambassador said.

Referring to bilateral trade which started declining in 1982, he said "We are in touch with each other, exploring non-traditional items for increasing our trade."

According to the ambassador, in the fiscal year of 1987-88, Pakistan registered a 50 percent increase in its exports to China, while China registered a 46 percent to Pakistan.

He called for an expansion of educational exchanges, especially in the field of higher education. "Culture is the oldest link between our two countries," he said.

The ambassador also gave an account of Pakistan's domestic achievements in the economic, public health and other fields.

He said his country is working hard to implement a population planning program, which is aimed at reducing the population increase rate from three percent to two percent.

While giving priority to energy, communications and transport, he said, the Pakistan Government has also placed much emphasis on uplifting the agricultural sector and providing better sanitation, drinking water, education and health facilities for rural residents.

He said the conclusion of an agreement on Afghanistan for the withdrawal of Soviet troops was also an achievement of Pakistan's foreign policy, which would create conditions for the return of three million refugees from Pakistan.

Ziaul Haq Cites Soviet, Indian 'Grand Strategy'
OW1308212688 Beijing XINHUA in English
0720 GMT 13 Aug 88

[Text] Islamabad, August 13 (XINHUA)—Pakistan President Mohammad Ziaul Haq has said that Pakistan is being made target of a grand strategy evolved by the Soviet Union and India, the official newspaper THE PAKISTAN TIMES reported today.

The Soviets level unfounded allegations against Pakistan for violating the Geneva accord and Indian Prime Minister Rajiv Gandhi raises the cry that India will not accept a fundamentalist regime in Afghanistan, the president said in an interview with editors of local newspapers here on August 10.

The president said that the purpose is to enable India to jump on the bandwagon from which it had remained aloof for eight years, and with her help to have somebody as head of the Afghan Government who could play the pre-1979 role for both, the Soviet Union as well as India.

Ziaul Haq said that as a creator of the Geneva accord on Afghanistan, it is inconceivable that Pakistan will violate it. That is not her interest, he stressed.

He pointed out what the Soviet Union expected after signing the Geneva agreement is that Pakistan should use its influence to stop the mujahidin's struggle inside Afghanistan. "How can Pakistan stop fighting inside Afghanistan? It is not practicable," he added.

The real problem in his view was created by the Soviets themselves by insisting on a negative symmetry between the two superpowers. Ziaul Haq said that the element of symmetry meant that the Soviet Union will continue to make supplies to the Kabul regime as long as it wished and the United States will continue to make supplies to the mujahidin as long as they wished.

The president said that from Pakistan's point of view the Geneva accord has three aims: the first is the withdrawal of Soviet troops, the second is the return of Afghan refugees with honor and dignity and the third is a government in Afghanistan which represents all sections of Afghans.

Describes Relations With U.S.

OW1408083788 Beijing XINHUA in English
0757 GMT 14 Aug 88

[Text] Islamabad, August 14 (XINHUA)—President Ziaul Haq has declared that Pakistan will continue to enjoy a pivotal position in the U.S. global strategy despite the return of Soviet forces from Afghanistan, local newspaper "THE NATION" reported today.

In a recent interview with the paper the president said the U.S. policy on Afghanistan is bipartisan. Hence there will be no change in this policy even after the new administration is sworn in at the White House as a result of the November presidential elections.

Ziaul Haq added that even in a post-Afghanistan withdrawal scenario, Pakistan will maintain its important regional position.

The president pointed out that the Indian Ocean will remain important for the United States.

Commenting on Pakistan's relations with the Soviet Union, the president said Pakistan desires very cordial bilateral relations with Moscow. However, he said the Afghanistan problem is the main stumbling block.

He disclosed that one of the purposes of the recent visit of Foreign Minister Sahibzada Yaqub Khan to Moscow is fence-mending, but the Soviet Union did not accept Pakistan's contention that both countries should strive to improve their bilateral relations "irrespective of the Afghan problem."

Announces Islamic System

OW1408100888 Beijing XINHUA in English
0930 GMT 14 Aug 88

[Text] Islamabad, August 14 (XINHUA)—Pakistan President Ziaul Haq today announced that the Islamic system for the country will be established within the next few weeks or months in any case by the general elections date of November 16.

The president made this announcement to the nation on the occasion of its 41st anniversary of independence during his address after hoisting the national flag this morning at the Aiwan-i-Sadr (parliament building).

Ziaul Haq said the overwhelming majority of the people in Pakistan want speedy and inexpensive justice which will be guaranteed by the setting up of a system in accordance with the Islamic principles.

He said Islam has the supremacy over everything else and added that there should be no room for any doubt or scepticism on this point.

President Ziaul Haq decreed a shariat ordinance (Islamic law) on the night of June 15 after he dissolved the National Assembly and federal cabinet in order to pursue the process of Islamization in the country.

Diverse views have been expressed on the Shariat ordinance since it was announced. Pro-government people regarded it as a "historic step" in Islamization in the country while oppositions called it "Ziaul Haq's ploy" to continue his rule. The Shariat ordinance makes Islam the "supreme source of law" in Pakistan and "guidance for policy-making by the state." The country's economic and educational system also shall be based on Islamic values.

The president warned the nation that at this juncture there are some sources which are talking of confrontation. "But our redemption lies in unity and amity and not hatred and discord," he added.

Soviets Withdraw 'Half' of Troops From Afghanistan
OW1508040488 Beijing XINHUA in English
0134 GMT 15 Aug 88

[Text] Moscow, August 14 (XINHUA)—The Soviet Union has met the August 15 deadline for withdrawing half its troops from Afghanistan, the TASS news agency reported today.

Quoting Lt. Gen. Boris Gromov in Kabul, commander of Soviet's Afghanistan forces, TASS reported that Soviet troops have been pulled out of 25 of 31 Afghan provinces.

"As of August 14, fifty percent of the Soviet troops have been withdrawn from Afghanistan," Gromov said.

Gromov said other Soviet troops will be pulled out of the country by February 15, 1989, under the Geneva accords timetable that was agreed to in April.

The withdrawal of the estimated 115,000 Soviet troops in Afghanistan began May 15.

Gromov said withdrawing Soviet forces will not help the Kabul regime fight the mujahidin guerrillas.

India To Expand Defense Cooperation With U.S.
OW1208141588 Beijing XINHUA in English
0725 GMT 12 Aug 88

[Text] New Delhi, August 12 (XINHUA)—The Indian Government has proposed to expand existing defense cooperation with the United States on certain defense related technologies, such as Light Combat Aircraft (LCA) project.

It also proposed to explore and identify other areas of defense cooperation with the United States and other Western countries.

This was acknowledged by Indian Minister of Defense K.C. Pant in Parliament today.

The minister said that a U.S. firm, Northrop Corporation, has offered to establish an assembly line for their F-5 fighter and trainer aircraft in India.

Iraqi 'Sources' Cited on Protest to UN
OW1208195088 Beijing XINHUA in English
1830 GMT 12 Aug 88

[Text] United Nations, August 12 (XINHUA)—Iraq has accused Iran of breaking its promise of refraining from hostilities before a U.N. announced ceasefire goes into effect by shelling Iraqi forces with motor bombs and rockets.

In a letter to UN Secretary-General Javier Perez de Cuellar, Iraqi Permanent Representative to the United Nations Ismat Kittani said the Iranian military forces continued "its artillery, mortar and rocket-launcher attacks on our military units up until 6 P.M." yesterday.

The letter, issued today as a document of the Security Council at the request of Kittani, said that Iranian forces bombarded the Iraqi Third Army Corps around Basra with a total of 169 artillery shells, 179 motor bombs and nine rockets.

Yesterday afternoon, Kittani met the U.N. secretary-general and complained to him about the Iranian attacks. However, the Iraqi ambassador has not been available for comments so far.

Sources close to the Iraqi mission told XINHUA today that Kittani complained to the UN chief that Iran has not complied with a temporary truce it promised last Monday.

"He just wants to report to the secretary-general that Iran did not restrain from any hostilities," the sources said.

Last Monday, shortly after the secretary general announced August 20 as the ceasefire day between Iran and Iraq, Iran informed the world body that it would stop all hostilities immediately, in response to the UN chief's appeal for restraint from both sides in the period before the ceasefire goes into effect.

Later, a report from Baghdad also said that Iraqi Government had announced its decision to cease military actions against Iran during the period.

But on Wednesday, Iranian ambassador to the United Nations Mohammad Ja'far Mahallati extended to the secretary general a "strongest protest" against Iraq's violation of Iranian airspace.

Asked whether Kittani also extended a similar protest to the UN chief, the sources said that the Iraqi ambassador did not do so.

West Europe

Capsule Launched for FRG Retrieved Successfully
OW1408074588 Beijing XINHUA in English
0652 GMT 14 Aug 88

[Text] Bonn, August 13 (XINHUA)—The first cooperative effort between Federal Germany and China in space exploitation ended in success today, as a German capsule, launched by a Chinese Long March II rocket, was retrieved safely.

Peter Vits, director of the MBB/ERNO Aerospace Corporation, told reporters in Bremen that the experimental capsule landed by parachute in China today after eight days of orbiting at an altitude of 200 kilometers.

The capsule, Vits said, contains 104 experimental subjects from 20 scientists who want to study the crystallizing process of protein at zero gravity so as to find new ways of producing interferon—a type of cancer killer—and other medicines.

The cost of the capsule's launch by the Chinese rocket was 700,000 Deutsche marks (374,500 U.S. dollars), according to Vits. It is much cheaper than using American vehicles, he said.

Vits said that his company has ordered another launch on the Long March system for next year.

Devices Returned to Firms
OW1408153288 Beijing XINHUA in English
1501 GMT 14 Aug 88

[Text] Beijing, August 14 (XINHUA)—Five micro-gravity experimental devices, which were carried into the space by a Chinese "Long March No. 2" Rocket on August 5 and recovered yesterday, were handed over to representatives from three Federal German companies today.

This is the second time that China has provided such satellite service for foreign firms. The first was for the Matra Company of France in August last year.

At the handover ceremony, representatives of the Federal German companies expressed their satisfaction over the success of Sino-Federal German cooperation in space technology.

Chen Shouchun, chief engineer from the China Great Wall Industrial Corporation, said the success of the piggyback service once again shows the reliability of Chinese carrier rockets and satellites as well as the maturing of China's satellite launching and recovering.

Newspaper Views Western Communist Parties
HK1308033588 Beijing GUANGMING RIBAO
in Chinese 1 Aug 88 p 3

[Article by Zhang Xuebin (1728 1331 2430): "The Impact of the Scientific and Technological Revolution on West European Communist Parties in Seeking the Socialist Roads Suited to Their Own Countries"]

[Text] In the past few decades, the scientific and technological revolution has not only deeply changed the appearances of Western Europe, but has also affected the ideological and organizational systems of the communist parties in Western Europe and their efforts to seek a path of socialism.

Since the end of World War II, the communist parties in Western Europe have been seeking a path leading to socialism for some 40 years, and this course can be divided into several stages. The first stage was the period between 1946 and the 20th CPSU National Congress in 1956. In that period, some communist parties in Western Europe put forth the slogan and idea of taking a socialist road suited to their own countries, but they lacked in-depth analysis of their own national characteristics and could not have a concrete idea about their own socialist road. In those years, the contemporary scientific and technological revolution just began, and there was no mature condition for studying the relationship between the scientific and technological revolution and the particular socialist road in their own countries. The second stage lasted from the 20th CPSU National Congress to the early 1970's. In this stage, the communist parties in Western Europe paid more attention to their national characteristics and stressed the road leading to peace and socialist democracy, but they did not attach enough importance to the changes in the socioeconomic and political structure caused by the scientific and technological revolution. The period from the early 1970's to the late 1970's marked the third stage, in which they began to attach importance to the socioeconomic and political structural changes brought about the scientific and technological revolution. In general, however, their main efforts for seeking a socialist road concentrated on the point of freeing themselves from the control of the Soviet Union. From the early 1980's to the present was the fourth stage in their explorations of a socialist road suited to their own countries. In this stage, more and more parties paid attention to the study of the social changes caused by the scientific and technological revolution and the influence of such changes on the socialist road in their own countries.

In June 1985, 18 West European communist parties held a meeting in Paris to discuss the international communist movement and they agreed that in order to overcome the serious difficulties they encountered at that time, the communist parties must keep pace with the new trend of industrial modernization and the technological revolution and must readjust their own policies and strategies and put forward new programs. According to this idea, they pointed out:

First, the approach to socialism should not be invariable and unchangeable. Socialism is the outcome of socioeconomic and political development of human society to a certain stage. With the changes in the political and economic structure, people will deepen their understanding of socialism. For example, the party program proposal put forward by the 17th National Congress of the Italian Communist Party said: "Today, we are all undergoing a profound structural change, and the technological revolution is the most prominent demonstration of this structural change. Its results will be of great significance which can match that of the first industrial revolution." "As a historical characteristic of the current technological revolution, it paves the way for freer and more creative labor, provides the opportunity for adopting a new form of joint labor. Thus, the elimination of some technical division of labor and some most oppressive management forms of wage labor will be of realistic significance." Therefore, the Italian Communist Party stressed: "Today, our approach to socialism should not be unchangeable. We will not regard socialism as a system of completely nationalizing the means of production and exchange and exercising planned management merely by administrative means. For us, socialization and the process of expanding economic democracy are the primary tasks of decisive significance." In light of the actual conditions of social life in France, the French Communist Party put forward the conception of French-style socialism focused on democracy and self-management at its 25th National Congress. The basic requirements of this conception are: the realization social justice, a new type of economic growth, the development of democracy and freedom, cultural revival, and the building of an independent and peaceful France that shows sympathy for all peoples. Among others, economic democracy with workers participating in management is the most important point.

Second, the category of the working class should be extended to most residents. Because of the scientific and technological revolution, the size of industrial workers has diminished. The old definition of the working class is not conducive to strengthening the class foundation of the communist parties and seeking reliable social strength. The French Communist Party pointed out: "Because scientific progress is integrated with the current conditions of enterprises, the invention of new technologies continues to make advances, and this strengthens the socialization of production and obviously enhances the quality of the labor force. Therefore, some major changes have occurred in the working class. From the economic angle, an increasing number of technicians, clerical staff members, and some engineers have now become a component part of the working class." The Austrian Communist Party also pointed out: "With the development of the productive forces, the division of labor, and the scientific and technological revolution, an increasingly large part of social labor has been shifted to the reproduction and

postproduction departments and the departments parallel to production, that is, the service industries and the distribution and management departments. As a result, the ratios between the number of workers, clerical staff members, and civil servants are changing. Some old trades and skills have disappeared, and some new trades and skills appeared. At the same time, the pattern of industrial labor has gone far beyond the traditional industries and has spread to a wide scope." They held: "There is no fundamental difference between workers and clerical personnel in facing social instability, taxation pressure, and the consequences of inflation and the reduction in social welfare expenditure." Therefore, "the definition of the proletariat now can be apply to most residents." The renewal of the definition of the working class indicated that the communist parties in Western Europe can use the Marxist theory to analyze the changing social conditions and break through the traditional viewpoints so as to seek reliable social forces for promoting the socialist movements in their own countries.

Third, the intellectuals hold a more and more important social status. In recent years, some parties deeply discussed this issue and put forward some opinions and solutions. For example, the French Communist Party held two central committee meetings in May and June 1986 to discuss the changes in the French working class and intellectuals. At the meetings, the participants pointed out that intellectuals form a strong social force and hold a more and more important social status. Without intellectuals, there will be no union of the public. Their activities have greatly developed and have become the center of all social activities. With the development of science and technology, there will be more and more intellectuals in the ranks of the working class. The development of intellectuals and the working class will lead to further combination of the two sides. The previous idea of "forming an alliance between the intellectuals and the working class" is now outmoded, and what should be realized is the union of the public, and every person should hold a position in this union. As compared with the French Communist Party, the Austrian Communist Party held a different opinion on intellectuals. It held that with the development of the productive forces and the division of labor, the social significance of the intellectuals has become greater, and the number of intellectuals engaged in more or less complicated mental work in various trades is also increasing. At the same time, changes also occur continuously in their internal structure. The monopolistic form of production makes most intellectuals lose the freedom of controlling tools and determining their own working conditions. So they do not form an independent class, nor an independent political force. An important task of the Communist Party is to make most intellectuals and workers realize that they share the same fundamental interests and should joint hands in opposing monopolistic capitalism, and the Communist Party should always represent their interests.

Rumors About Beidaihe Work Conference Refuted

HK1408015288 Hong Kong TA KUNG PAO in Chinese
14 Aug 88 p 1

["Special Dispatch": "Authoritative Figure in Beijing Again Clarifies Yesterday That the Central Authorities Have Not Convened a Beidaihe Work Conference"—every line of dispatch is underlined]

[Text] Beijing, 13 Aug—An authoritative figure here today denied reports that the top Chinese leaders are holding a "central work conference at Beidaihe."

From the end of July to early August, a number of Western press agencies and Hong Kong newspapers published report after report saying that the Chinese leaders have recently been holding a work conference at the summer resort of Beidaihe to discuss price and wage reforms; the conference was broken off due to serious differences of opinion, and so on.

This authoritative figure said: "The reports of foreign press agencies and certain Hong Kong newspapers regarding the 'Beidaihe work conference' have not the slightest factual basis. The central authorities have not convened a meeting of this kind at Beidaihe this summer, and still less has such a meeting been broken off. Reports that there is a serious difference of opinion in the Chinese leadership over reform strategy and that 'the reforms will be postponed or halted' are even more pure fiction."

He pointed out that certain Hong Kong newspapers have cited "remarks of informed sources" in giving vivid details about this purely fictitious rumor. This is really being too irresponsible to their readers.

He said, China's senior figures have frequently spoken on their ideas on wage and price reforms on a variety of occasions this year. Discussions on this topic have been held all along from the central authorities down to the localities. Recently the top Chinese leaders have invited experts and scholars to Beidaihe and other localities to discuss lines of thought on reform and to listen to the views from various sectors. The central authorities' idea is to spend about 5 years in resolving the wage and price reform problems. It is very difficult to reform the existing irrational prices and price structure, and there is a certain risk involved. The attitude of the central authorities is that great resolve and steady plans are needed. Before any reform scheme is tabled, consultations should be held with the people, to gain their understanding and support.

He said: "This is the unanimous attitude of the Chinese leadership, and there is absolutely no difference of opinion among them."

More on Beidaihe Rumors

HK1408041388 Hong Kong TA KUNG PAO in Chinese
14 Aug 88 p 2

["Review of the Week" by Kung Yao-wen (7895 5069 2429): "Scotching the Rumors Concerning the 'Beidaihe Work Conference'"]

[Text] TA KUNG PAO's dispatch from Beijing yesterday quoted a Beijing authoritative figure, denying the unfounded reports carried in some Hong Kong newspapers recently about the "Beidaihe Central Work Conference" held by top Chinese leaders. This authoritative figure said: The reports by foreign news agencies and some Hong Kong newspapers concerning the Beidaihe Work Conference are groundless. He emphatically pointed out: As the central authorities have not convened a conference of this kind in Beidaihe this summer, how can you say that the conference has broken off? Regarding the rumors that there is a "serious difference of opinion" in the Chinese leadership over reform strategy and that "reform will be postponed or halted," they are purely fictitious.

Was there a conference held in Beidaihe? There were forums but not a central work conference. The Beijing authoritative figure told this reporter: The principal leaders of the central authorities recently invited experts and scholars to forums on lines of thought concerning reform held in Beidaihe and other places to listen to their views. Hong Kong newspapers reported the forums as a central work conference held in Beidaihe this summer, which runs counter to the actual facts. It should be noted that the authoritative figure pointed out: The central authorities did not hold a work conference in Beidaihe this summer. He said that some Hong Kong newspapers quoted "a well-informed source," adding color and emphasis to this pure fiction which shows their irresponsibility to the readers.

The description of the fiction in vivid detail refers to a report carried in a Hong Kong newspaper which said that the Beidaihe Work Conference concluded on 28 July. According to this report, foreign news agencies, Taiwan newspapers, and Hong Kong newspapers dispatched reports unscrupulously drawing a conclusion that the central leaders are at their wits' ends over price reform, there is a serious difference of opinion among them, and the conference has halted.

Freedom of press is indispensable. However, we cannot carry a report concerning a major policy decision of the central authorities by believing in unfounded rumors without verifying the report or making inquiries to the relevant departments. We will easily make a mistake by doing so. It is true that top Chinese leaders are cudgeling their brains to pull through the risk of price reform. They are firmly determined in this regard. China has scored tremendous achievements since the implementation of the policy of reform and opening up over the past 9 years. The restrictions lifted on the prices of four kinds

of nonstaple foods in May this year and again on the prices of 13 kinds of famous brand liquor and cigarettes in July have unavoidably led to price hikes in the market. Everybody is talking about the matter now because the price hikes have affected the living standards of some people. Inflation, price hikes, and the wage system have become major issues of common concern.

Price reform indicates that China's reform has entered a crucial period. With the deepening of reform, we will have to face a number of unavoidable, difficult problems. For example, the question of inflation must be resolved. We should also work out overall, systematic plans to link wages with the price reform. However, some cadres with power have taken advantage of price reform to make exorbitant profits. The problems of some people's incomes not matching their positions, corruption, bribery, and abuse of power for personal gain should all be resolved by strictly administering the party, strengthening the building of the legal system, building a corruption-free government, and ensuring social stability. All these are matters discussed everyday in the country's newspapers. Nowadays the mainland is more transparent politically than the "leftist" period in the past.

The leaders of the central authorities recently listened to the views of experts and scholars on reform in Beidaihe and other places. They plan to take 5 years to resolve the problems of wages and prices. In order to gain their understanding and support, the people will be consulted about the implementation of each reform scheme. This is the main trend of China's current political situation. Naturally, the new trends in Beidaihe this summer have become the focus of domestic and world attention.

Undoubtedly, transparency of mainland politics has increased. All major meetings, particularly top level meetings of the CPC Central Committee, are reported promptly or in advance, or announced immediately through the media upon the conclusion of the meetings. For example, the sixth, seventh, and eighth plenary sessions of the CPC Central Committee's Political Bureau chaired by Zhao Ziyang in March and April, respectively, were announced on the very day they concluded. If there is a top level important conference held in Beidaihe, we have every reason to believe that it will be announced at an appropriate time because there is nothing mysterious. So far no central work conference has been held in Beidaihe. However, we cannot rule out the possibility of other conferences being held in the future. Viewed from the Hong Kong newspapers' and foreign news agencies' unfounded rumors refuted by the Beijing authoritative figure, with a well-thought-out plan for price reform, Beijing is completely confident in making concerted efforts with the people of the whole country to tide over the difficulties that have cropped up on the road to advancement.

Experts Invited to Beidaihe Forum

HK1408021488 Hong Kong WEN WEI PO in Chinese
14 Aug 88, p 1

[Special Dispatch: "Central Authorities Invite Experts to Beidaihe Forum To Discuss Lines of Thought on Reform, Listen to Their Views"]

[Text] Beijing 13 Aug—Today, an authoritative personality here has denied the rumor that the "Beidaihe Central Work Conference" for China's top-echelon leaders was under way.

By July and August of this year, some Western news agencies and Hong Kong press reported at length that, the Chinese leaders were calling a work conference in Beidaihe, a summer resort, to discuss price and wage reforms, and that, the conference was interrupted because of serious differences, so on and so forth.

This authoritative personality stated, "The coverage of the "Beidaihe Work Conference" by certain news agencies and Hong Kong press was groundless. The central authorities have not called such a conference in Beidaihe this summer at all, so there is not any interruption to speak of. As for the rumors that "serious differences" on reform policies exist between China's top-echelon leaders, and that "reform will be put off or halted," they are sheer fiction."

He said that, China's senior leaders have, on several occasions, revealed their conception of price and wage reforms. This issue has been under discussion from the top down. Major top-echelon leaders have recently invited experts and scholars to a forum in Beidaihe and elsewhere to discuss lines of thought on reform, and to listen to their views. The central conception is to settle wage and price reforms in five years. It will be rather difficult, and risky at that, to reform the existing irrational prices and price system. The central authorities have adopted an attitude that the reforms must be carried out with great determination, however, the plans for reform must be sound and steady. Consultation with the people will be conducted regarding every plan for reform before it is officially introduced, to win the people's understanding and support.

He concluded, "This is the unanimous attitude of the top-echelon leaders, and differences between them have never existed."

Conference To Resume 15 Aug

HK1308014488 Hong Kong WEN WEI PO in Chinese
13 Aug 88 p 1

[Dispatch from correspondent Liu Jui-shao (0491 6904 4801): "Beidaihe Conference To Resume Monday for Further Discussions on Price Reform Issue"]

[Text] Beijing, 12 Aug—According to informed sources, the members of the CPC Central Committee Political Bureau will resume the conference at Beidaihe from 15 to 17 August.

The main hope of this meeting is to be able to produce a policy decision on the price issue. It is reported that the CPC leadership has unanimously agreed that prices must be reformed and that the price reforms will continue, but that this must be done at a steady pace.

There are a number of views on how this reform should be carried out. One view holds that all-around price reforms should be instituted and that this will lead forward the emergence of other reforms. Some people with this view think that there are "six major risks" in acting in this fashion, so they have proposed six measures for countering them.

A second view holds that price reform should reach its goal in a single step; however, not many hold this view.

A further view believes that it is first necessary to change the ownership system (such as by promoting the joint stock system) and that prices should not be changed in a chaotic fashion; if necessary, prices can be frozen.

A fourth view thinks that it is first necessary to develop the productive forces and that prices should be handled with caution.

An authoritative figure has pointed out that if price reform work cannot be completed in 3 years then it must be completed in 5.

The Political Bureau Standing Committee held a meeting yesterday. It is reported that the price reform issue was not discussed. The leadership's brain trust gathered at Beidaihe 2 days ago to make preparations for the conference. The personnel concerned will hold a preparatory meeting tomorrow (13th). After the Political Bureau meeting, some other meetings will be held and this year's Beidaihe conference will finally conclude on 20 August.

This meeting will also review the economic situation in the first half of the year and will also discuss phenomena of corruption, together with security work.

Zhao Ziyang Stresses Deepening of Overall Reforms
HK1508053488 Shanghai SHIJIE JINGJI
DAOBAB in Chinese 8 Aug 88 p 1

[Report from Mutanjiang by Zhu Bing (2612 0365): "Zhao Ziyang Stresses That the Success of Price Reform Will Depend on the Deepening of the Overall Reforms"]

[Text] On 22 July Zhao Ziyang, general secretary of the CPC Central Committee, arrived in Heilongjiang Province to make an on the spot investigation. In Mudanjiang City he went into factories, shops, and enterprises to conduct investigations, hold forums, appraise the situation, and solicit views from all sides on the price reform. After listening to reports from various quarters, Zhao Ziyang said: The question of price reform has attracted the attention of all sides. Though very difficult, it is

necessary to tackle it. Now we must make clear one concept, namely, whether the price reform succeeds depends not only on the price reform plan itself but also on the deepening of the overall reforms. Without the overall reforms, including the accommodation and coordination of the reform of the political structure, it would be very difficult for the price reform to attain the expected objectives.

Zhao Ziyang said: In price reform it is necessary to grasp several aspects. First, it should involve the enterprise mechanism and the enterprise's ability to withstand strain. If enterprises attain satisfactory economic results and have a strong digestive capability, it will be possible to avoid a price spiral. After going round in a circle, a price spiral will return to the starting point of irrational price ratios. Therefore, there is no point in carrying out such a price reform. Next, in price reform we should control the issuance of currency without adversely affecting production. We should tighten up money supply through banks. We should control the scale of capital construction and the production of rejects and standard products, promote changes in enterprise structure, and ensure that the circulating capital of enterprises with good economic results and construction of infrastructural projects will not be affected. Moreover, the price reform cannot be separated from market prosperity. If we depart from the market conditions in conducting the price reform, it will be difficult to attain our aims.

Zhao Ziyang said: The reform of the political structure is a good environment for exploring the price reform. This should not be overlooked. The present problem is the failure to separate government from enterprise functions. The administrative-type companies not only have power but also engage in business. Their exorbitant profits, which have resulted in unfair distribution, is a prime factor disrupting the market in our country. Some old cadres have become directors of some nongovernmental companies. They have a hand in everything, writing brief informal notes, claiming relationships, and asking for goods which they resell at a profit. This is even worse than the administrative-type companies. Moreover, the decadent practices of some party and government organs have developed so quickly and with such tremendous force that, if we fail to solve them conscientiously, it would be disastrous in a few years' time. It is imperative to increase transparency and to quickly develop a supervisory mechanism. Otherwise, it will be difficult to carry out the reform. In the reform it is also necessary to solve the problem of egalitarianism and the practice of unfair distribution.

CPC Seminar on Theory Guidelines Planned
HK1508042288 Hong Kong TA KUNG PAO in Chinese
15 Aug 88 p 2

["Political Talk" by Shih Chun-yu (2457 0689 3768): "The CPC Will Hold Theoretical Conferences"]

[Text] In the spirit of "emancipating the mind, seeking truth from facts, and uniting to march forward," the 3d Plenary Session of the 11th CPC Central Committee,

which was held in December 1978, blazed a new trail in reforms and opening up to the world. This year is the 10th anniversary of the 3d Plenary Session of the 11th CPC Central Committee. Beginning in late November, a series of theoretical conferences will be held in Beijing to sum up and exchange experiences in reforms and opening up to the world and to provide answers for all kinds of new questions. These theoretical explorations will help deepen political and economic reforms in China.

It was proposed at the 3d Plenary Session of the 11th CPC Central Committee that the party hold a meeting on theoretical work guidelines. This meeting was held at the end of March 1979, at which representatives from the central, provincial, city, and autonomous regional authorities raised many questions. At the meeting CPC leader Deng Xiaoping called on theoretical workers to profoundly study new situations and new problems arising in the course of the four modernizations and to work out guidelines of major significance. Now reports say that after the conclusion of the theoretical conferences by the end of this year, Beijing will make preparations for a second meeting on theoretical work guidelines, to study urgent problems in reforms and methods to resolve them.

The meeting on theoretical work guidelines that was held 9 years ago lacked actual material and data because reforms and opening up to the world were just starting. Therefore it could only deal with major principles and "lacked real worth." But when the second meeting on theoretical work guidelines is held, it will have accumulated 10 years' experience, and more material and data will be available for the formulation of theories on reforms and opening up to the world.

Yesterday RENMIN RIBAO published a report entitled "Dongguan over the last 10 years," which provides much experience in implementing the line laid down by the 3d Plenary Session of the 11th CPC Central Committee. This report was written by the personnel of the investigation department of the General Office of the CPC Central Committee who were sent to Dongguan for a survey. The report cites changes that have taken place in this region over the last 10 years, including the increase in the per capita income of the rural people from 193 yuan in 1978 to 1,039 yuan in 1987; highway density and direct dialing telephone capacity ranking first in the country; the per capita education fund for primary and secondary schools rising from 25 to 218 yuan; and a 50 percent drop in the crime rate, indicating that social civilization has improved as a result of economic development. The changes in Dongguan and the Zhujiang delta are clearly visible from the nearby Hong Kong and Macao. These changes have provided mutual benefit for them.

The RENMIN RIBAO report on Dongguan's development over the past 10 years points out: "The change in concept is the key to the success in reforms and opening

up to the world, but a thorough change in concept relies on the profound development of reforms and opening up to the world and on the development of the socialist commodity economy." It is believed that the Chinese theoretical workers' discussion on the practical experience over the last 10 years will bring about a new and more prominent change in concept.

Carelessness Blamed for Serious Accidents
OW1508142188 Beijing XINHUA in English
1347 GMT 15 Aug 88

[Text] Beijing, August 15 (XINHUA)—Today the Beijing-based newspaper "ECONOMIC INFORMATION" blamed carelessness and irresponsibility as the main reasons for China's many recent accidents.

According to the paper, the last 18 months saw a series of bloody accidents nationwide including a forest fire, a plane crash train derailments, ship collisions, and mine explosions.

"The most astonishing thing," the paper pointed out, "is these fatal calamities were caused not by natural forces but by human error."

The paper criticized the leaders and employees of some firms and institutions for the loose enforcement or total ignorance of safety regulations, and said, "a style of work characterized by carelessness and irresponsibility now prevails."

The paper cited 22 serious cases which happened since the beginning of last year as examples. In the Dahinggan Mountain forest fire, the paper said, the main causes were smoking and the use of unapproved lumbering equipment in the spring dry season.

In another case, engineers stopped a train 150 meters outside the parking area, which resulted in a train crash near Shanghai that killed 27 Japanese and one Chinese passenger.

When mentioning the January 18th plane crash near Chongqing, the paper said the plane was given clearance to take off even though mechanical problems had been found, and as a result, 98 passengers and all 10 crew members were killed.

In addition, the paper said, a careless workstyle in day to day production has caused even more losses to the state and the masses, and surfaces as inferior products and as Chinese enterprises consuming a lot of energy and raw materials.

The paper attributed the key reasons for this careless work style now prevalent nationwide to anarchism left over from the "Cultural Revolution" (1966-1976), and the existence of egalitarianism under which "everyone eats from the same big pot."

"But when considering the question further," the paper said, "the influences of a two-thousand-year-old feudal society and a small-scale peasant economy which is typically averse to discipline can be found."

Describing a careless and irresponsible workstyle as a formidable foe for China's large-scale production and modernization program, the paper called on the nation to foster a workstyle which emphasizes the enforcement of regulations and discipline, conscientiousness in work, and improved production techniques.

Lin Biao's Daughter Said Transferred to Beijing
HK1408043288 Hong Kong WEN WEI PO in Chinese
14 Aug 88 p 3

[Dispatch from correspondent Liu Jui-shao (0491 6904 4801): "Lin Biao's Daughter Reportedly Transferred To Work in Beijing"]

[Text] According to a well-informed source, Lin Biao's daughter Lin Liheng has been transferred to work and live in Beijing as a result of the policy implemented on her recently.

She has been placed in the Institute of Modern History of the Chinese Academy of Social Sciences. Her husband and family members have also been transferred to Beijing. Her residential house has been arranged with the help of the Beijing municipality.

Lin Liheng, also named Lin Doudou and Lu Man, originally worked for the army. She had to terminate her employment because of the Lin Biao incident. She submitted several reports to the higher authorities requesting implementation of a policy on her. Eventually, Zhao Ziyang gave instructions on the above-mentioned arrangement.

Party Discipline Linkage To Reform Stressed
OW1508075788 Beijing XINHUA in English
0734 GMT 15 Aug 88

[Text] Beijing, August 15 (XINHUA)—Efforts should be made to distinguish between Communist Party members engaged in individual or private businesses and those who indulge in speculation and tax evasion.

An official of the Beijing Municipal Discipline Inspection Committee made this remark today, adding that retired party cadres have the right to earn money by being reemployed or offering advisory services to enterprises. "They should be treated differently from those who abuse power for personal gain," he said.

Speaking at a meeting of the committee, the official said the work of party discipline inspection should serve the need to develop productive forces and establish a new order of socialist commercial economy.

"We should support reformists and encourage those who have made mistakes in pioneering reforms, while disciplining those who violate laws," the official said.

For example, he said, it is natural and normal for entrepreneurs to give dinners or present products as samples to their partners in economic activities but it is quite another thing if they commit bribery or give sumptuous feasts which have nothing to do with ordinary business.

Paper Discusses Separating Party, Government
HK1308070188 Beijing GUANGMING RIBAO
in Chinese 1 Aug 88 p 3

[Article by Liao Shixiang (1675 1102 4382) and Huang Moya (7806 1970 0068): "Several Thoughts on the Separation of Party and Government"—passages in boldface as published]

[Text] The importance and pressing nature of the separation of party and government have been grasped by increasingly greater numbers of cadres and masses, while many localities are exploring the experiences and practice in this area. We have recently conducted some investigations in Yichuan Prefecture, Jiangxi. In our investigations, we focused on exploring the following issues:

First, is the separation of party and government under way "a superfluous action?" Some comrades have failed to see the importance of the separation of party and government, and got the wrong impression that all people of the nation should adhere to taking economic construction as the key during the new historical period, while the separation of the party and government would affect the party's leadership in economic construction. Hence, the superfluity of separation. The major cause for such an understanding is confusion in the understanding of the nature and characteristics of scientific socialism, and the lack of knowledge in the grave danger resulting from the much confused party and government functions in economic construction, with the party taking the place of government. Therefore, it is imperative to see the danger from the plane of the essential requirements of scientific socialism, and to elevate the consciousness of separating the party from the government. It is primarily necessary to clarify that a clear demarcation line between the party and government functions is one of the essential characteristics of scientific socialism. The confusion of party and government functions with the party taking the place of government in the past was the major factor leading to various malpractices in China's existing political structure. For a long time, the excessive centralization in China's existing political structure was chiefly embodied in the slogan: Strengthening the party's unified leadership, to the effect that all powers have been inappropriately monopolized, without analysis, by party committees, the first secretary of the party committee in particular. In fact, in some places, the party committee stands above all else, party members are aloof from the

masses, and the party secretary is taller than the rest. Only when the separation of the party and government is implemented, will it be possible to effectively break through the political structural reform. Second, the political structure is the specific form of the social political system. In China's political structure, the form of party leadership system has a decisive bearing on all other specific systems. Get a firm grasp of the separation of the party and government, the key, and we will basically iron out the relationships between the party and the people's congress, the party and government, the party and judicial and supervisory departments, as well as the party and various social organizations, to genuinely embody the political characteristics of the initial stage of socialism. And third, the near-term target of the political structural reform is to build a leadership structure favorable to improving efficiency, strengthening vitality, and giving play to the enthusiasm of all aspects. This precisely requires further decentralization, reforming government work departments as well as the cadre and personnel systems, to make complete and perfect socialist democratic politics. Whereas the prerequisites for doing a good job in these whole-range reforms is the separation of the party and government in the leadership structure.

Second, how to implement party leadership? A misunderstanding at present is that "the adherence to party leadership means the party practicing leadership in everything," while laying stress on the separation of the party and government means "the party committee being stripped of its power," while "cadres engaged in political work becoming insignificant." Obviously, such is a misunderstanding of the functions of the party in office, and has its source from the effects of "leftist" concept of party leadership in the past. Marxist doctrine on the party in office believes that leadership of the party in office finds expression in its responsibilities in all aspects of a state, economy, politics, culture, and social life, but not in "every single matter," and "taking on everything." Party leadership means general leadership, in other words, political leadership. Beyond doubt, the proletarian political party in power is the core of leadership in the entire life of the state, and the maintenance of the party leadership means adherence to the kernel of the four cardinal principles. However, such new-type leadership has nothing in common with that in the past, in which "the party committee monopolizes major power, with less important power decentralized, and the party committee has the say in everything, while all departments and aspects act accordingly. In this new-type leadership, the party will confine its activities to the boundaries of the constitution and the law. The party's political leadership in state affairs should be: Turning the party's proposals into the will of the nation through legal procedures, and realizing the party's line, principles and policies through the activities of party organizations as well as the exemplary roles of party members in bringing along the masses. By no means should we regard any party organization as one that may stand above the government, that may give direct orders to the latter, and

intervene with the routine work of any administrative unit. Comrade Zhao Ziyang provided incisive discussion on how to implement party leadership in his report delivered at the 13th party congress. He pointed out: "Party leadership means political leadership, namely the leadership in political principles, political orientation, and major strategic decisions as well as recommending cadres to important government posts." This is the scientific generalization of adherence to party leadership during the new historical period.

While making contacts with the comrades of party committees of some localities, we found that most of them had a correct understanding of the separation of the party and government, and had explored the experiences of party committees in adhering to taking economic construction as the key in the wake of separation of the party and government since the 13th party congress. However, some comrades were still used to the practice of "the party secretary has the say in everything, while all departments and aspects acting accordingly," and "the party secretary takes charge of every matter, big or small, when going down grass roots units, while work division was made on his return." Moreover, the sense of "losing powers, positions, and prestige" is keenly felt among them in the wake of separation. Therefore, renovating party leadership is the ideological basis for doing a good job in the separation of the party and government. We believe that, regarding local party committees, a good solution to the division of major functions between the party and government should be found at present. Local party committees should implement political leadership in work of their own localities under the prerequisites of exercising the Central line, and guaranteeing unity in government orders at the national level. Based on the experiences of the Yichun Prefectural Party Committee, the chief functions of local party committees are: To exercise the instructions of the Central Committee and provincial party committee; to guarantee the implementation of the instructions from the State Council and provincial government; to make decisions on major local issues such as the strategy and goal of economic and social development in their own localities; to recommend cadres to important posts in local government; to coordinate the activities of various organizations in their own localities; and to create a harmonious atmosphere for reform and opening up to the world. They have paid great attention to handling the relationships between the party and government, between the six major organizations (the party, the People's Congress, the government, the CPPCC, the Discipline Inspection Commission, and the military sub-district,) the locality and departments, economic work and noneconomic work, collective leadership and work division between individuals, predecessors and successors. Especially through the correct handling of the relationships between the six major organizations, a situation has taken shape in which "all six organizations work in close coordination, with every one exerting its utter efforts," while production has been pushed forward. Experiences have evidenced that so long as the major leading member

of a party committee has renovated his conceptions, he will bring along all members of the party committee, and genuinely implement the separation of the party and government.

Third, why should some localities have won many certificates of merit while remaining poverty-stricken? Because of the long-standing effects of "taking class struggle as the key link," and repudiating the so-called "theory of supreme importance of the productive forces," many comrades had placed party building and the role of party leadership on the basis of subjective idealism and utopian socialism. This resulted in the dogma "grasp class struggle and all problems can be solved," and "politics comes before all else." With work focus shifted on the orbit of economic construction since the 3d Plenary Session of the 11th Central Committee, party building and party leadership have genuinely taken the path of healthy development. However, some comrades have failed to renew their concepts, while always believing that the separation of the party and government implies that "the party committee grasps politics," while the government "grasps the economy," thus totally separating politics and economy. Some strange phenomenon has surfaced in the discussion and assessment of the advanced by party committees of some localities: "Some counties or townships should have won many certificates of merit, while remaining poverty-stricken." Many factors account for such understanding and practice, but an important cause has been the deviation from the principle that the productive force is the basic criterion for testing all items of work.

Marxism believes that the productive force is the basis and starting point of history. The development of productive forces is the highest criterion for social progress. The value assessment of a political party does not rely on its declaration and program, nor on its members structure. The basic criteria is whether it binds or emancipates productive forces and pushes social progress forward. Marxist basic tenets tell us: The productive force as the most positive, active and revolutionary factor in social production mode, determines the development and progress of mankind. In the final analysis, the proletarian political party, like any political party as an essential factor in the superstructure, serves the development of productive forces. Before it comes into power, the proletarian political party should lead the masses to break down the old state apparatus to set up a state of proletarian dictatorship, and to basically emancipate the productive force. In the wake of seizing political power, it should continue to rely on the people to turn what the party advocates into the will of the nation through legal procedures, while bringing along the masses to elevate social productive forces through the activities of party organizations and exemplary role of party members. Therefore, it is imperative to break down the concepts of historical idealism in the discussions on building the party in power, and strengthening its combatting effectiveness, and to basically draw a demarcation line between scientific socialism and utopian socialism. Only

then, will it be possible to consciously adhere to taking economic construction as the key with a new style of leadership in the wake of the separation of the party and government.

And fourth, why is it necessary to be strict with running the party in the wake of the separation of the party and government? The staunch combatting effectiveness of the proletarian political party in leading socialist modernization does not rely on the number of party members, but their fine qualities in standing the test of governing, reform and opening up to the world in the initial stage of socialism. Whether the party will lead, based on its functions, the masses in adhering to taking economic construction as the key in the wake of the separation of the party and government, depends on the firmness of the party members in implementing the party's line and their loyalty to the cause of communism. Separation of the party and government will leave our party adequate energy to take care of its own building, and "to a better job in running its own organization." To achieve this goal, the most important task at present is to be strict with running the party, and to settle the grave problems of a small number of party members, in particular some leading cadres who are communists, in abusing power, injuring the interests of the masses, and interfering with the smooth progress of reform, opening up, and construction. First, a communist must be qualified at all times in line with the criteria for communists. Unlike nonparty members, communists should at any time consciously sacrifice more of their own personal interests for the interests of the state and the people. A leading cadre, a communist at that, should be free of any special privileges, he is expected to take the lead, play an exemplary role, and to guide the masses in every aspect. In a nutshell, leadership means rendering services. Those corrupted elements who have caused damage to the party and people's cause must be weeded out firmly according to the requirements of the 13th party congress. Second, it is necessary to further improve the democratization in the cadres' work style through deepening reform of the cadre and personnel system to basically correct the unhealthy tendencies in the system to guarantee the smooth progress of economic construction. The experiences of many units have evidenced that, it is imperative to play down the stress on "the status of officials" [guan benwei 1351 2609 0143], while strengthening the sense of commodity economy. In cadre and personnel work, it is necessary to start from promoting the development of the productive forces, and to implement the principle of "attaching importance to actual accomplishments, encouraging emulation, and practising democratic and open supervision," while adopting various ways to greatly improve democratization in the selection of qualified people, such as democratic election, democratic recommendation, democratic discussion in appraisal, democratic work assessment, and open invitation to job application and examination, while guarding against factionalism in appointment, and laying stress on the actual accomplishments of candidates, thus, thoroughly changing the malpractice of solely relying on

the "impression of leading cadres" in appointing cadres to posts in some localities, and the abnormal practice in which "the secretary has the final say" in such matter. Only by making the principle "being strict with running the party" permeate all areas of reform, opening up and construction, will it be possible to improve the party's combatting effectiveness, while providing an organizational guarantee for adhering to taking economic construction as the key.

Psychological Obstacles to Reforms Noted

OW1508065188 Beijing XINHUA in English
0609 GMT 15 Aug 88

[Text] Beijing, August 15 (XINHUA)—Chinese experts have again called for making China's current reforms "transparent"—meaning making them known to everybody.

This will help the people understand the protracted nature of the reforms, which aim to build up a market-oriented economy in the country, said a signed article in the latest issue of the "OUTLOOK WEEKLY".

The experts have again stressed the need to remove what they call psychological obstacles to the reforms, such as that unrealistic demand that everything should be perfect.

Old ideas of egalitarianism still linger on and must be thrown out, while work should be done to foster the sense of competition.

Conservatism should also be overcome. People should be encouraged to take risks in the reforms and to themselves to the changes accompanying the building up of commodity economy.

The article said that lack of psychological preparation for the arduous, protracted reforms causes discontent among many people.

For example, some people in Dalian say that they prefer to have the same low wages as before to having wages increased in step with the rising prices, said the article, quoting a survey by the State Statistics Bureau.

Communists Should Lead in Emancipation of Mind

HK1208091088 Beijing BAN YUE TAN No 14,
25 Jul 88 pp 4-6

[Article by Si Ren (2448 0088): "Communists Should Be Forerunners in Emancipating the Mind"]

[Text] In the new period, what image should members of the CPC have? Before answering this question, we should first make clear: What does the new period refer to?

Comparatively speaking, the Great Leap Forward launched in 1958 was, of course, a new period compared to the Great Cultural Revolution which began in 1966.

However, there is no fundamental difference between them. The change from the Great Leap Forward to the Great Cultural Revolution is nothing but a transition from a crazy situation to an even crazier one. However, today's China, when compared with the China of 10 years ago, has indeed entered a completely new period—one in which a big nation with a population of 1 billion is implementing comprehensive political, economic, and cultural reforms. The new period requires us to thoroughly remould ourselves: The product economy and the commodity economy should be thoroughly remoulded; ignorance should be removed and civilizations established; feudal practice should be abolished and democratic practice adopted.

Our past experience tell us that without great emancipation of the mind, productive forces will not be liberated; and without great liberation of the productive forces, modernization will not be achieved. Whether the mind can be emancipated or not is the key to the success of reform. Therefore, we say that the image of the Communist Party members in the new period should be the image of being forerunners in emancipating the mind.

However, our party has been shackled through thinking that it is "absolutely correct," and was formed by absolute authority over a long period; various tragedies have occurred. We want to emancipate the mind in a short 10-year period. However, the burden of history is heavy, and the path to emancipation of the mind is difficult. Therefore, General Secretary Zhao Ziyang loudly and clearly put forward that: We should "further emancipate the mind, and further liberate productive forces." Some people said that these two "further's" should become a banner for us. We consider that this banner should first become the banner of contemporary Communist Party members.

What things in our mind should be emancipated?

What has been shackled should be liberated.

For instance, when something new arises in our reform, we will be puzzled, and will doubt whether it is capitalist or socialist.

Over a long period, we always regarded the controlled economy, which has a feudal color, as socialism and regarded the modern commodity economy as capitalism. Therefore, we regarded the enterprise leasing system as capitalist and considered the contract responsibility system capitalist. The shareholding system and the mergers among enterprises were undoubtedly regarded as capitalist.

Guangdong has achieved rapid economic development over recent years. What are the reasons for this? Some people site an analogy: When a Guangdong person gives birth to a baby, he will first see whether the baby is strong or not. However, when a baby is born in other provinces, they will first see whether it is a descendant from a bad

ancestor or from pure ancestry, and then decide whether to bring it up or not. By the time people in these provinces have established the origin of the baby, Guangdong has given birth to some more.

More and more people are now beginning to understand that a commodity economy is needed by capitalism as well as socialism. Do we have to allow capitalism to monopolize the use of a commodity economy, which is advantageous to the development of socialism and something that it cannot do without, to prove that we are pure and innocent?

When we have the whole world in view, and when we are unceasingly discussing whether a phenomenon is capitalist or socialist, other countries are advancing rapidly. Do we still have to continue the endless discussion till China's future is forfeited, just to prove that we are faithful to Marxism?

For members of the Communist Party, emancipation of the mind is a long-term process. What attitude then, should we hold to emancipate our minds?

The first sentence of the first chapter of the CPC Constitution is: The CPC is the vanguard of the working class.

The first criterion we often use in daily life to evaluate the things a party member does and how he behaves is: Whether this member has played an exemplary and leading role or not.

The history of the CPC illustrates that every success of the party is the result of having a fearless attitude, being bold in bringing forth new ideas, and in doing unprecedented things.

However nowadays, when facing the new historical trend, a considerable number of people seem to lack initiative, seem to be overcautious and indecisive, and they dare not go one step beyond the prescribed limit.

Therefore in the new historical period, a Communist Party member—being the subject of mind-emancipation, a person who has to conform to the historical trend of the times and to march at the head of the trend—should have the courage and resourcefulness to be bold in doing unprecedented things and to take corresponding actions.

To be sure, the fundamental requirements of party members—to wholeheartedly serve the people, to be the first to bear hardships and the last to enjoy comforts, to obey leaders, to observe discipline and to abide by laws, to be faithful and honest, to unite with the masses, and so on—have brought up and will continue to bring up a great number of good communists. However in the new period, a communist should have more than this.

It is exactly because our party is bold in doing unprecedented things; is brave in emancipating the mind; and has worked hard to reform, that we have Guan Guangmei, Zhou Guanwu, Zhang Xingrang, Ma Shengli, Lu Guanqiu, and Yu Zuomin, a group of reformers who are faithful to the undertakings of the party. Because of these, China is full of vitality and energy, and the great tide of reform becomes higher and higher.

Practice has proven that the image of communists in the new period should include: Not being constrained by visible and invisible old rules and decadent customs; not being handicapped by various prejudices that shackle people's minds; not being content with temporary ease and comfort and mediocrity; not being willing to compromise and make concession; being brave and facing challenges; and being bold in doing unprecedented things.

How bold should we be in doing unprecedented things?

There is a famous sentence in China, which bitterly disappoints people but carries a certain degree of truth: Since ancient times, reformers will come to no good end.

People who implement reforms are people who have emancipated minds. Otherwise, how can they implement reforms? However, the strong force of traditional habit cannot tolerate people who have an emancipated mind. It is well known to all that: Shang Yang advocated reforms; Kang Youwei and Liang Qichao advocated constitutional reform and modernization and they all suffered. The force of tradition is great; when you offend it, it will death-defyingly fight with you, decisively struggle with you, diametrically oppose you, and fight to bitter end with you. This is not strange. Even at present, when our party wants to lead the reforms, and wants to emancipate the mind, it also has to pay a price. In spite of this, we still believe the famous sentence: Having tragedies is better than having nothing done. Being members of the Communist Party, when we see that our country cannot get rich, cannot become strong and the masses are extremely worried, can we remain indifferent in such a situation, and can we turn a blind eye to such a familiar situation? Even if that is so, and even if we fail, we still have to break a new path!

We seldom talk about sacrifice. In fact, in the times of reform, we have to emancipate the mind, and we need a sacrificing spirit similar to that possessed by Bruno and Zhang Zhixin. Of course, speaking in general terms, this type of sacrifice is not the one which requires us to risk our lives under a hail of bullets, but one which requires us to sacrifice our benefits, power, fame, and families. However, in terms of other meanings, the latter is more difficult than the former, as the latter requires us to stand the torment of conscience struggles and moral texts.

Therefore, no member of our party should not be afraid of sacrificing all the things he has, and should not be afraid of banging the drums and opening the path for reform. Otherwise, people will ask: "Are you a member of the Communist Party?"

The reform conducted in the past several years is itself a process to emancipate the mind. The thinking that allows some people to get rich first, the idea of one country two systems, and the experiment of special economic zones are the results of the emancipation of the mind. Comrade Deng Xiaoping recently said: We have to produce more Hong Kongs on the mainland. We can say that comrade Deng Xiaoping is the one whose mind has been emancipated the most.

There is no boundary for the emancipation of the mind. Heaven has assigned great tasks to communists. Therefore, we should concentrate on and work hard toward this target: To build a prosperous and strong, democratic and civilized socialist China.

In short, communists of the new period should be people who are bold in doing unprecedented things and have a sacrificing spirit, and should be willing to devote all of themselves to reform. This is the image of the Communist Party members in the new period.

(Editor's note) This is the speech delivered by the BAN YUE TAN speech team in XINHUA's "1 July" speech contest. It is abridged by our editorial staff. (end editor's note)

Court Official Urges Open, Public Trials
OW1308130988 Beijing XINHUA in English
0638 GMT 13 Aug 88

[Text] Beijing, August 13 (XINHUA)—China's courts should pay more attention to open trials and make this a focus of court reform, a Chinese law expert said.

Today's "PEOPLE'S DAILY" quoted Wang Huaian, director of the Law Consultation Committee of the Supreme People's Court, as saying that, as stipulated in the nation's Constitution, all cases handled by the people's courts, except for those involving special circumstances as specified by law, shall be heard in public.

The "special circumstances" refer to cases involving state secrets, the privacy of individuals and the commission of crimes by minors as defined in the criminal procedure law.

Therefore, Wang said, all courts should conduct adjudication of cases in public according to the Constitution and laws.

By letting cases be heard in public, the courts will be put under the supervision of the masses, said Wang, former vice-president of the Supreme People's Court.

Wang attributed failures to hold open trials to the inadequate understanding of the importance of open trials, incompetence of judicial officers and lack of court premises.

Meeting of Association for Promoting Democracy
HK1308073988 Beijing RENMIN RIBAO in Chinese
11 Aug 88 p 4

[Report by Li Dejin (2621 1795 6855) dispatched from Beijing on 9 August: "Chairman of the China Association for Promoting Democracy Says Democratic Parties Should Play a Greater Role as Political Parties"]

[Text] Lei Jieqiong, Vice Chairman of the NPC Standing Committee and Chairman of the Central Committee of the China Association for Promoting Democracy, said today at the concluding meeting of a work conference of this organization that the association for promoting democracy and its members have now greatly increased their sense of a political party, of democracy, of self-determination, and of competition. Many members called for promoting the building of socialist democratic politics, called for the formulation of a law on political parties so that various political parties will be able to better play their role and make contributions to China's reunification and rejuvenation.

The work conference of the association for promoting democracy lasted for 7 days. The meeting participants put forward many opinions and proposals on political participation, political consultation, and democratic supervision. They held that it is necessary to strengthen political consultation and democratic supervision, promote the perfection of socialist democratic politics and the perfection of the legal system, and offer advice for developing a democratic and scientific decisionmaking process. The constitutions of the democratic parties should not be "uniform" without their own characteristics. They should have their own concrete political programs. The association for promoting democracy should also cultivate their own theorists and political activists, and should not only admit model workers, progressive workers, and academic authorities into its organization, but should also admit more people in the educational and cultural circles and people in the scientific research, medical and public health, finance and economic, and law circles. People who have political activity ability should be included in the leading bodies at various levels. Only thus can the organization gather more talented people and pool collective wisdom.

Ge Zhicheng, vice chairman of the Central Committee of the China Association for Promoting Democracy, relayed the opinion of Xie Bingxin, another vice chairman, on the rights and duties of democratic parties to the meeting participants.

Other vice chairmen, Chen Shunli, Chu Zhuang, and Ye Zhishan, also attended today's meeting.

Scholars Meet on Increase in Social Problems
*OW1308134988 Beijing XINHUA Domestic Service
in Chinese 0604 GMT 11 Aug 88*

[By reporters Zhu Weixin and Zhang Chijian]

[Text] Harbin, 11 Aug (XINHUA) — More than 100 researchers of sociology recently held a meeting in Yichun City, Heilongjiang Province, to study the cause of increasing social problems in China. They presented their views on the need for coordinated development between the economy and society.

These sociologists, who use real society as the object of their research, brought more than 70 theses to the discussion meeting. After an exchange of viewpoints, they reached a consensus: Reform and the open policy have made China's economy develop more rapidly. However, social problems are unavoidably on the rise—the number of illiterate people is growing; the rate of juvenile delinquency is climbing; the phenomenon of corruption is becoming serious; and so forth. After analysis, the scholars maintained that it is completely correct for China to focus on developing its backward economy. However, it is noteworthy that some localities and departments interpret focusing on economic development as paying attention only to the economy while neglecting comprehensive building in various aspects of society, such as education, public order, and so forth. This causes social problems to increase.

The scholars summed up the experiences and lessons acquired by some developing countries in their economic development and presented their viewpoint: The economy and society should coordinate with and promote each other in their development to make China's modernizations proceed soundly and smoothly.

The increase of social problems requires sociologists to dedicate themselves to realities and to study realities. At the same time, the sociologists attending the meeting also urged leadership at all levels to attach importance to the study of sociology and to apply its achievements to the process of decisionmaking.

Fei Xiaotong, Lei Jieqiong, and other famous sociologists in China presented their written viewpoints at the meeting, which was entitled "The National Academic Symposium on the Theory of the Initial Stage of Socialism and Sociology." They pointed out: Sociology observes problems from the perspective of the entire society in a comprehensive manner and, therefore, there is plenty of scope for its application in the process in which new system is replacing the old one. They encouraged the researchers of sociology to emancipate their thinking, study realities, and serve the four modernizations.

Transient Population Poses Security Problems
*HK1208044088 Beijing CHINA DAILY in English
12 Aug 88 p 1*

[By staff reporter Duan Baiyi]

[Text] China's increasing transient population is creating many problems for cities, despite some benefits to the economy.

There are more than 50 million transients in the country now, according to the Ministry of Public Security.

The 23 cities, each with a population exceeding 1 million, have reported a combined transient population of 10 million. There are 1.83 million in Shanghai, 1.15 million in Beijing, 1.1 million in Guangzhou and 800,000 in Wuhan. These numbers are expected to increase in the near future, according to official statistics.

Of the total transient population, two-thirds are pedlars, individual craftsmen or construction labourers. The rest are travellers on business trips or going home on visits.

Having no regular place to stay, some of these transients sleep outside railway stations or in parks.

Though the increasing transient population has helped the development of the economy and benefitted markets in cities and towns, it also has caused many problems, an official of the Ministry of Public Security said.

Last year, more than 55,800 transients were arrested for criminal acts, with most of them being found guilty of larceny, according to statistics.

Survey [Subhead]

According to one survey of 50 labourers at a building site in Beijing, at least 15 had been convicted of larceny.

At the Beijing Railway Station, it is the transients who often steal money and bags from other travellers spending the night in the station, a policeman from the Beijing Public Security Bureau said.

The numbers of migrant beggars have increased in recent years. Last year, the Shanghai Public Security Bureau and the Shanghai Civil Affairs Bureau detained more than 10,000 "beggars" coming from all over the country, but only some 800 persons were termed real beggars, according to a survey done in Shanghai.

Private Businesses [Subhead]

More than 10,000 of the 15,000 people hired by private businesses in Beijing are transients. Most are female and come mainly from Hebei, Henan and Anhui provinces in North and East China and Guangdong and Fujian provinces in South China, according to a survey.

Female employees often became targets of sexual harassment by their employers, the survey said, adding that many were even raped.

Salesmen and purchasing agents among the transient population often engaged in such illegal activities as gambling and swindling.

Public security departments throughout the country are taking measures to crack down on the crimes committed by the transient population in order to maintain law and order in the community. These measures include the issuing of temporary residence permits to outsiders and constant checks on whether vagrants have such permits.

The country's public security departments also maintain a close check on homes rented by private pedlars and individual craftsmen and by rural construction crews.

GUANGMING RIBAO on Lack of Scientists
HK1408090088 Beijing GUANGMING RIBAO
in Chinese 3 Aug 88 pp 1,4

[Article by reporter Liu Lusha (0491 6424 3097): China's Contingent of Science Researchers Should Be Replenished Urgently"]

[Text] Abstract: The age structure of China's contingent of science researchers is extremely irrational, with an exceptionally high average age. Most of them are in the 45-50 age group, and there was an eclipse of the 20-45 age group in addition to faults on the academic staircase. Irrational structure of qualified people has made the full play of China's contingent of scientific researchers impossible, and will result in the grave consequences of synchronous aging, synchronous retirement, and temporary shortage of researchers.

The lack of successors is another still more worrying issue existing in China's contingent of scientific researchers. It is hard keeping young people on the job. Relatively speaking, an increasingly greater number of people would rather take the "red path," which means "going in for government," and the "yellow path," which means "going in for business," than choose scientific research as a life career, which is now regarded as a "dark alley." An increasing number of post-graduate drop-outs is a serious phenomenon. Some people regard post-graduate schools as transfer stations with terminals in some foreign countries.

There are historical reasons as well as realistic problems to account for China's contingent of scientific researchers and the shortage of successors: The ownership of qualified people by units employing them has blocked the rational flow of talents, the lack of funds for scientific research has made normal progress of scientific research work impossible, the substandard treatments of scientific researchers have resulted in their waver of mind, while the old scientific research system did not care as much about creating conditions for young people to

show their talents. The state has so far failed to adopt effective measures to attract the homecoming of those who have gone abroad. These problems can be resolved only by in-depth reform with comprehensive, whole-range measures. [end abstract]

I. [subhead]

Aging has Gravely Threatened China's Contingent of Scientific Researchers.

In the Institute of Biophysics under the Academy of Science of China, this reporter happened to read a table of age statistics. This institute boasted of 544 scientists and technicians, with an average age of 45, of whom the average age of senior researchers was 52, the average age of intermediate researchers was 47, while the average age of junior researchers was 32.

The aging problem is all the more serious in some institutes with long standing. The average age of the entire contingent of scientists and technicians of the Academy of Science was 42.

Such a phenomenon is by no means exclusive to the Academy of Science. Based on a nationwide investigation by the State Scientific and Technological Commission of 8.25 million scientists and technicians, 25 percent of them were in the age group below 30, 25 percent in the 30-40 age group, and 44 percent in the age group of 40 and up. The Institute of Talents under the State Scientific and Technological Commission conducted an investigation in 10 scientific research units engaged in basic sciences. The results showed that those in the age group below-30 accounted for 18.31 percent, and those in the 36-40 age group 6.23 percent, while those in the 41-46, 46-50, 51-55, 56-60, and 60-and-up respectively accounted for 14.76 percent, 25.27 percent, 23.35 percent, 8.31 percent, 3.77 percent. In other words, 75.5 percent of researchers in basic sciences are over 40 years old.

Now let us take a look at the world-famous U.S. Bell Laboratory. The bulk of its scientists and technicians are in the 30-35 age group, next come the 35-40 and the 20-25 age groups, and the average age of its scientists and technicians is only 33.

Thus we can see, the age structure of China's contingent of scientific researchers is extremely irrational, with too high an average age, and the bulk of researchers are in the 45-55 age group. There was an eclipse of the 20-40-some age group, in addition to faults on the academic staircase. Some scientists of the older generation have enjoyed a good reputation in the world, but few of the middle-age and young scientists share their reputation. In some branches of science, when scientists of the older generation retire, there is an absence of middle-age and young scientists that are capable of succeeding them with some authority.

Such an irrational structure of qualified people has made the full play of China's contingent of scientific researchers impossible.

Middle-age researchers have complained: "We have actually taken up all kinds of odd jobs, including sweeping the floor, fetching water, cleaning bottles, doing lab work, writing theses, bringing up postgraduates and junior researchers, giving guidance to researchers, as well as our own routine work as senior researchers."

The bulk of researchers was the 40-50 age group, and the proportion of senior researchers is on the high side. Accompanying it was another problem, to the effect that although some people have been conferred senior professional titles, they are not competent enough on their jobs as senior researchers. Take for example, in the 67 specialized groups under the Research Institutes of Biophysics, there were 145 senior researchers. Therefore, some of them had to take up assistant jobs in the groups. Another problem was that every one was vying for a topic of research. With topics diversified, nobody showed any respect for others. In the Academy of Science, only four people were in a group on average, this made it very difficult to organize cooperation to tackle some major difficult topics.

Voluminous qualified people amassed at the same layer will also bring along the consequences of synchronous aging and retirement. In another 10 years, the overwhelming majority of the 45-55 age group will leave their scientific research posts, and the shortage of middle-age backbone, and temporary shortage of researchers will be on the horizon.

II. [subhead]

True, aging is a worrying phenomenon, but still so is the lack of successors.

The "craze for going abroad," "the craze for going in for government," and "the craze for going in for business" have violently pounded at China's contingent of scientists and technicians. Relatively speaking, an increasingly greater number of people would rather take the "red path," which means "going in for government," and the "yellow path," which means "going in for business," than choose scientific research as a life career, which is now regarded as a "dark alley."

Many research institutes have reflected that it was hard trying to keep young people on the job. Many of those young people have not been concentrating their mind on scientific research, while focusing their attention on studying some foreign languages and making contacts with relevant departments to seek further education abroad. They have regarded research institutes as transfer stations with terminals in some foreign countries.

Take the Photosynthesis Research Lab under the Institute of Botany for example. Ten postgraduates had been enrolled over the past few years, but none of them stayed long, for all ten of them have gone abroad. Some postgraduates openly said: "We applied for postgraduates to research institutes simply because they mean golden opportunities to be sent abroad."

Drop-out has never been an honorable term. However, many postgraduates have sought various reasons to drop out with the intention of going abroad. In recent years, eight postgraduates have dropped out from the Research Institute of Biophysics alone. In fact, this reporter even witnessed, in his recent interview, the director of this institute initialing the application of another postgraduate for leaving school to go abroad.

It was by no means easy for students to apply for any postgraduate school pursuing an MS degree or Doctorate in the past. Only the cream of them would succeed after fierce competition. But now, the shortage of applicants is keenly felt, with the vacancies far exceeding the applicants. The Research Institute of Acoustics has planned to enroll 15 postgraduates pursuing doctorates. There are, so far, only four applicants.

Many old scientists have found such situation a heart-ache. Tang Aoqing (0781 2407 1987,) well-known expert in chemistry, and Director of the State Natural Sciences Fund Commission said with deep feeling: "Today, the most worrying fact is the difficulty in finding new blood to fill in the contingent of scientific researchers. This is a problem far more serious than the shortage of funds."

Zhou Guangzhao, President of the Academy of Sciences of China also pointed out: "If we should fail to step up the pace of bringing up academic leaders and in supporting the younger generation, China's contingent of scientific researchers will face a grave crisis in another five years."

III. [subhead]

True, there were historical factors—"the great Cultural Revolution" in particular, which brought about the loss of 1 million potential college students in addition to 2 million potential high school students, and led to the aging of the contingent of scientific researchers and the shortage of successors. Moreover, research work in many fields was in a stalemate. Hence, the eclipse of certain age groups is seen in China's contingent of scientific researchers as well as faults in the academic staircase. However, we cannot help seeing that aging and the shortage of successors are the inevitability of an ossified old structure, and of the irrationality in some existing policies.

Under the old structure, China's scientific research institutes were mostly in a cocooning state, with localities and departments separated, and qualified people owned by units employing them, which made the flow of

qualified people an impossibility. Neither was it possible for the old personnel system to form a competition mechanism characterized by selection for the contingent of scientific researchers, with those who were incompetent on their jobs staying put, while those who were competent would be deprived of their rights to join in. Research institutes had to rely on the national plan for acquiring qualified people and natural renovation with the retirement of some old people. As a result, research institutes have grown increasingly larger, while the aging of personnel has grown ever more serious. To change this condition, many researchers have proposed the introduction of the competition mechanism into research institutes, and the formation of an open and flowing system. Besides, the flow of qualified people has also come under the restrictions of many factors, such as residence registration, establishment, wages, funds, living quarters, and the cultural and educational differences between various localities. Only by carrying out whole-range reform will it be possible to realize the genuine flow of talents.

On how to find a solution to the failure of young people concentrating their minds on scientific research, many scientific researchers pointed out that, the key lies in the state attaching importance to scientific research and the intelligentsia, and showing genuine respect to knowledge and qualified people.

China's annual volume of funds allotted to natural sciences is less than those acquired by one single foreign research institute. The funds allotted to some research institutes are barely enough to cover wages and utility fees. Under such circumstances, the basic requirements for "leading a settled life and being content with one's work" are not met, how could we expect scientific researchers, the young ones in particular to devote themselves to scientific research?

A more important factor leading to the waver in people's mind is the irrational distribution characterized by manual labor earning more than mental labor. Many an individual household will easily earn 10 yuan a day, but it will be very difficult to find a professor earning the same amount. An assistant research fellow, no longer very young, bitterly said: "I told my son to work hard in his studies; but in reply he said, haven't you said that you have worked like a horse all your life, and you have eventually turned out to be an assistant-professor earning just enough to buy 10 chickens each month?" This reporter called a forum with a number of 1988 graduates from the graduate school of Beijing University. They said, "We have no desire to take the old path of the intellectuals graduated in the 1950s and 1960s."

To guarantee the emergence of successors to the contingent of scientific researchers, it is also imperative to bring up those who can take the lead in academic development among middle-age and young scientific researchers, and to create conditions for them to show

their talents. Many research institutes are still considering qualifications and arranging ranks according to seniority. The average age of personalities with senior professional titles is on the high side, while that of the professional titles of young scientific researchers is on the low. Few under 45 are capable of becoming leaders in academic development, while young researchers have been given little chance to work on their own.

Regarding the "craze for going abroad" or failure to return to China after a certain approved period, many researchers proposed the need to change the policy of restriction into one of attraction, to better work conditions and treatment of returnees in a down-to-earth way; at the same time, doctors brought up at home and those with doctorates acquired abroad should be treated alike. Political and ideological education should not be neglected. Young people should be made to see that China is still poverty-stricken, and it is impossible to provide everything in readiness. It is precisely the reliance on their hard work that China's feature of impoverishment and backwardness will be changed.

Just as Wang Shurong, President of the Research Institute of Biophysics, put it: "The solution to aging of China's contingent of scientific researchers and the shortage of successors is a comprehensive issue involving many aspects. Research institutes can only play the role of fine tuning of apparatus, while we can only rely on the state regulating the main switch and the improvement of the general climate."

The replenishing of the contingent of scientific researchers is pressing. If it is not firmly grasped, our scientific research will face serious crises. True, the large number of "students of the fifth generation pursuing further education abroad" will take part in the international circle of talents. They will, one day, flow back to the East from the West. Just as Dr Li Cheng-tao predicted, the field of science and technology in the world will belong to people of Chinese origin and the Chinese (three-fourths of talented students in many U.S. universities and graduate schools are, at present, of Chinese origin) in the next 10 or 20 years. However, the realization of this prediction involves our hard work. Difficulties and hopes coexist. We pin our hopes on deepening reform.

Qiao Shi Inspects Jiangxi, Urges Party Building
OW1508111288 Beijing XINHUA Domestic Service
in Chinese 1347 GMT 12 Aug 88

[By XINHUA reporter Shang Daijiang and JIANGXI RIBAO reporter Guo Yinxiang]

[Text] Taiyuan, 12 Aug (XINHUA)—Qiao Shi, member of the Standing Committee of the Political Bureau of the CPC Central Committee, inspected Jiangxi from 5 to 11 August. Discussing the issue of party building during the inspection tour, he called on party organizations at all levels to adapt themselves to the needs of new situation and seize the opportune moment to place party building

on the agenda so that the CPC can really become the core of leadership of the 1 billion Chinese people in their socialist modernization drive and endeavor to establish a new socialist commodity economic order.

Qiao Shi said: In order to strengthen and accelerate the economic structural reform and gradually promote the political structural reform, the people across the country are further emancipating the mind and liberating the productive forces. As the reform enters a critical period, it is necessary to strengthen party leadership over the masses and reinforce party supervision for ensuring systematic implementation of the party's political line and the party Central Committee's principles and policies. Party organizations at all levels must attach great importance to party building and improve themselves ideologically, organizationally, and in the work style. They must also cope with the needs of the new era, focusing their attention on developing social productive forces, establishing a new socialist commodity economic order, and making the contingent of party members to always be in the vanguard of socialist construction.

He said: In intensifying party building, it is necessary to inherit and carry on the party's fine tradition and experience, incorporate them into the new situation of reform and opening, and continuously explore and formulate new ways and means for party building. In intensifying party building, it is also necessary to conduct a relatively systematic education on the basic theory of Marxism among all party members, with emphases on the line, principles, and policies pursued by the party since the 3d Plenary Session of its 11th Central Committee and on the party's basic line in the initial stage of socialism.

Qiao Shi emphatically pointed out: Strengthening leading bodies at all levels should be an important part of the endeavor to intensify party building. In building up the leading bodies, it is essential to raise their ideological quality and improve their workstyle. To this end, it is necessary to devote more efforts on study, especially to thoroughly comprehend the party's line, principles, and policies in the light of reality in the work, and to further display the party's "three major workstyles" of integrating theory with practice, maintaining close ties with the masses, and conducting criticism and self-criticism.

Comrade Qiao Shi stressed: In intensifying party building, it is necessary to improve grass-roots party organizations, wherein lies the foundation of the party's work. Party organizations at all levels must do a solid job in building up grass-roots units, going down to the grass roots to conduct investigative studies, maintaining close contacts with the masses, and helping them solve practical problems so that every grass-roots unit can become a genuine fighting force that unites and advances with the masses, and that every communist can play the exemplary vanguard role in a true sense.

Tian Jiyun Calls Officials on Flood Prevention
OW1408130888 Beijing XINHUA Domestic Service
in Chinese 1106 GMT 14 Aug 88

[By reporter Zhao Peng and correspondent Hua Yujuan]

[Text] Beijing, 14 Aug (XINHUA)—According to a briefing given by the office of the State Flood Prevention Headquarters today, continuous torrential rain in the past few days has rapidly raised the water level of the Nen Jiang, a tributary of the Song Hua Jiang. On this early morning, the largest flood in history appeared on the upper reaches of the Nen Jiang in Nei Monggol. The dangerous situation in some sections of the river jeopardized the safety of Qiqihar City.

According to the briefing, at 0200 hours early this morning, the amount of water flowing by the Ayanqian Hydrometric Station on the upper reaches of the Nen Jiang reached 6,340 meters per second, surpassing the then unprecedented largest flood appearing at this hydrometric station in 1955. The southern part of Nirji Town of Morin Dawa Daur Autonomous Banner, Nei Monggol, was flooded. Telecommunications with Oroqen Autonomous Banner, Chen Barag Banner, Ergun Left Banner and Ergun Right Banner broke off. Railways and highways were destroyed by flood in many places. Some personnel were marooned by the flood.

Tian Jiyun, vice premier of the State Council and general commander of the State Flood Prevention Headquarters, this morning made phone calls to responsible comrades of the headquarters and Heilongjiang: "It is necessary to attach very great importance to flood prevention along the Nen Jiang. The focal point is Qiqihar City. It is necessary to guarantee its safety. While mobilizing all strength to increase the height of and reenforce the dikes and resolutely removing obstacles to the river course, the masses in the dangerous zone must be evacuated."

According to the briefing, the flood prevention departments in Nei Monggol are rushing to deal with emergencies and providing disaster relief. Heilongjiang Provincial and Qiqihar City governments have mobilized on an emergency basis, amassed large numbers of flood prevention personnel and material resources, strengthened the protection of dikes, eliminated obstacles to the flowing of the flood, and made good preparations against the flood. The state flood-prevention command will soon dispatch work groups to Qiqihar City to help organize flood prevention work.

Yu Qiuli Inspects Vehicle Plant in Changchun
SK1208035288 Changchun Jilin Provincial
Service in Mandarin 2100 GMT 11 Aug 88

[Text] Yu Qiuli, member of the Standing Committee of the Central Advisory Commission, stopped off in Changchun on his way back to Beijing. Braving the scorching heat, he inspected the No 1 Motor Vehicle Plant, and heard reports by provincial leaders.

On the afternoon of 9 August, Comrade Yu Qiuli and others arrived in Changchun from Daqing. On the morning of 10 August, accompanied by Comrade He Zhukang and others, Comrade Yu Qiuli inspected the No 1 Motor Vehicle Plant. This was Comrade Yu Qiuli's third visit to the plant. When a leader of the plant was making a report, he enthusiastically asked about the plant's efforts in remodeling vehicles and developing light cars and medium- and high-grade limousines. To express his ardent hopes for the No 1 Motor Vehicle Plant, he wrote the inscription: "Strive To Be a First-Rate Enterprise." At the general assembling workshop, Comrade Yu Qiuli got in an ivory-colored KA-141 new-model car with great interest and drove it through the general assembly workshop with a smile on his face. Afterwards, he went to the second plant area to inspect the workshops under construction and the surrounding environment.

On the afternoon of 10 August, leading comrades of the provincial party committee, Advisory Commission, and government, including He Zhukang, Wang Zhongyu, Zhang Fengqi, Liu Xilin, and (Gao Peng), gave reports to Comrade Yu Qiuli on Jilin's political and economic situation, industrial and agricultural production, and economic reform. Comrade Yu Qiuli affirmed the fairly good political and economic situation of Jilin Province and spoke at some length on his opinions. First, he hoped that Jilin would further develop its advantages in resources and its economy in carrying out the four modernizations and exert great efforts to achieve a success before others. Second, Jilin should attach great importance to technological development and fully perform its function as a scientific and technological industrial base. Third, Jilin should attach more importance to developing the role of veteran workers. He said: Many veteran workers have good skills and rich experiences and love their enterprises. They should be properly organized to pass on experiences, give help, and set an example.

Comrade Yu Qiuli and others left Changchun for Beijing at noon on 11 August.

Li Ruihuan on Role of Communists in Reform
OW1408115288 Beijing DANG JIAN in Chinese
No 7, 5 Jul 88 p 1

["Communist Party Members Should Play an Exemplary and Guaranteeing Role in the Course of Reform, Says Comrade Li Ruihuan at a Recent Meeting of Leading Cadres With Party Membership in Tianjin Municipality"—DANG JIAN headline]

[Text] The key to stabilizing the market and to consolidating and developing the current favorable situation lies within the party. The key lies in party members, particularly those who are leading cadres. This is because: First, we have many party members. If all our party and youth league members are able to play their exemplary role well and persuade and lead the people around them, first of all, their own family members to

act in conformity with regulations, we are sure that we will be able to do a good job in stabilizing the market and the prices. Second, many party members are persons of authority. Nearly all leading comrades are party and youth league members. Isn't everyone worried about runaway price increases? If the leading cadres of every department bear the overall situation in mind and subject the partial and local interests to the general interests, we will definitely be able to control the runaway price increases. Third, the party and youth league members have tremendous influence. Until now, the tendency of "the masses following the party members and the party members following the cadres" still prevails. Isn't everyone worried about panic buying of commodities? If leading cadres and party and youth league members do not participate in the rush to buy commodities and persuade their family members not to do so, we will be able to set the people's mind at rest and curb the trend of panic buying. Isn't everyone worried about the shortage of commodities on the market? If the leadership at all levels is able to earnestly and responsibly organize production and facilitate the flow of commodities on the market, and if all party members take the lead in doing their own jobs well on their own posts, we will not have to worry about the shortage of any commodity on the market. Therefore, to stabilize the market and the prices, we must pay full attention to the leading cadres at all levels and to all party and youth league members. As long as they are unified in thinking and action, there should be no problem whatsoever regarding commodity prices on the market.

Right now, we must pay attention to tackling the following two issues: First, the party organizations at all levels must attach great importance to bringing the role of party members into full play in carrying out their work. If our party organizations fail to regularly impose demands on and make assignments to the party members, they are objectively limiting the party members in bringing their role into full play. We should impose clear-cut demands on all party members and help them play their exemplary role well. Second, we must strengthen education among party members and strive to help them improve their qualities and increase their sense of responsibility and glory. Communist Party members must play their exemplary and leading roles well. There should be no question on this point. Today, we would like to particularly mention this issue, because, for a certain period of time, we had failed to impose strict demands on party members and do a good job in educating them. From now on we must regularly remind all party members of their minimum responsibilities and the most fundamental established practice of a Communist Party member; and help them always bear in mind that they are glorious party members and understand what they should do and what they should not do in their daily work and daily life.

Minister Urges Further Housing Reform
OW1308184888 Beijing XINHUA in English
1423 GMT 13 Aug 88

[Text] Taiyuan, August 13 (XINHUA)—The State Council intends to speed up the ongoing housing reform in China, Lin Hanxiong, minister of construction said at a recent meeting here.

Lin said a series of supplementary measures will be made to push the reform deeper so that housing may become a commodity that can be bought or sold.

For decades, housing in urban areas has been provided by work units at low rent.

Lin said the new measures will focus on selling old houses, commercializing new houses, providing services for sold houses and establishing housing funds for only children.

The "only child" housing funds will permit the parents to deposit a certain amount of money in banks for their only child so that when the child grows up he can get his own house.

Lin said the State Council will map out a flexible price policy to ensure that all people, whatever their income level, will be able to purchase their own house.

Officials Praise Population Control Effort

OW1508034488 Beijing XINHUA in English
0157 GMT 15 Aug 88

[Text] Beijing, August 15 (XINHUA)—Thanks to the one-child family policy, 104 million fewer babies were born in China during the 1978-87 period than expected, State Statistical Bureau officials reported today.

This will save an estimated 1,000 billion yuan in state expenditure on children's upbringing.

China has contributed to the worldwide endeavor in population control, the officials said.

Thanks to its success, they added, the world's "five billion day" was delayed for two years and Asia's "three billion day" for four years.

Increased Prices Affect Grain Production

OW1208143188 Beijing XINHUA Domestic Service
in Chinese 1149 GMT 11 Aug 88

[By reporters Jiao Ran and Pu Liye]

[Text] Beijing, 11 Aug (XINHUA)—Reports from various localities show that prices for the means of agricultural production have continued to rise this year.

According to the data provided by the Ministry of Commerce, the price of urea bought from channels other than supply and marketing cooperatives has remained at more than 1,000 yuan per metric ton this year. Its highest market price has reached 1,300 yuan per metric ton, more than doubling its fair price. Sampling surveys by a rural survey team of the State Statistics Bureau show that in the first half of the year, market prices for the means of agricultural production increased by 17.2 percent. Even the fair prices for such means of agricultural production rose by 15 percent. The sales of fair-priced

chemical fertilizers, plastic sheeting for agricultural use, pesticides, and diesel oil dropped by 10 percent in the total sales volume as compared with last year.

High-priced chemical fertilizers account for a large proportion of all chemical fertilizers. The supply of such high-priced chemical fertilizers exceeds the demand of crops with a high profit, and people planting grain crops with a low profit cannot afford to use those chemical fertilizers. Thus the quantity of such high-priced chemical fertilizers in stock has increased. According to the data provided by the Policy and Law Department under the Ministry of Agriculture and the Policy Research Office under the Ministry of Chemical Industry, by the end of June 1987, the quantity of chemical fertilizers sold by the agricultural materials companies had increased by 5.4 million metric tons over the same period of the previous year. At that time, there were only 9.3 million metric tons of chemical fertilizers in stock. By the end of June 1988, the quantity of chemical fertilizers sold by such companies had increased by only 3.55 million metric tons, and there were 15.49 metric tons of chemical fertilizers in stock. This shows that the increased production of chemical fertilizer this year has not gone to peasants, much less have such fertilizers been used for grain production.

The increased prices of materials for agricultural use will adversely affect autumn grain production. Our country's total summer grain output this year slightly increased over last year, and the output of early rice was basically the same as last year. This means that autumn grain output has to increase considerably in order to raise our grain output by 20 billion jin this year. Grain output increased by 20 billion jin last year, which depended mainly on autumn grain crops. The acreage sown to autumn grain crops increased by 10 million mu last year; but this year the acreage sown to autumn grain crops decreased by 10 million mu as compared with last year. Therefore, the only way to carry out the task of increasing grain production is to increase per mu yield. However, judging from peasants' input into autumn grain crops, the situation is not so ideal. According to the latest sampling survey by the State Statistics Bureau, owing to the rise in the prices of materials for agricultural use, the money each peasant spent on chemical fertilizer and insecticides in the first half of this year increased by 24.7 percent and 35.8 percent respectively over the same period of last year, but the actual amounts of chemical fertilizer and insecticides the peasants obtained decreased by 7.3 percent and 2.2 percent respectively. Some 6 million mu of farmland sown to the corn crop were covered with plastic sheeting, accounting only for 55 percent of the planned coverage.

These reporters have learned from various sources that the main reason for the increase in the prices for the means of agricultural production is that there are too many intermediate links in the circulation of materials. Some circulation departments in particular stress profits

to the neglect of providing service and are not enthusiastic about supporting agriculture. Moreover, the price system has yet to be straightened out, which makes it convenient for a small number of persons to illegally withhold or buy and sell materials for a profit. Those concerned have suggested that practical and effective measures be adopted to solve the problem of agricultural supplies as soon as possible and to increase the sales of chemical fertilizers in order to increase autumn grain production.

Consumer Goods Retail Sales Increase

*OW1508122888 Beijing Domestic Service
in Mandarin 0930 GMT 13 Aug 88*

[Text] Despite a short supply of some commodities in the 1st half of the year, China's consumer goods market generally remains prosperous and vigorous with brisk sales. Commodity sales are increasing sharply. According to statistics by Beijing, Tianjin, Shanghai, and eight other large cities, total retail sales in the 1st half of the year amounted to 61 billion yuan, up 25.1 percent from the corresponding period of last year. Responsible comrades of the commercial departments of China's 11 large cities recently met in Dalian and forecast the market trend for the 2d half of the year.

They predicted that the output of light industry and textile goods in the 2d half of the year will be about the same or slightly higher than the output of the 1st half of the year and that commodity resources will increase. They said: At a commodity ordering meeting, a large number of orders were placed with suppliers from various provinces and cities, laying a material foundation for market supply in the 2d half of the year. The overall control measures taken by the state to curtail capital construction and institutional purchase will help alleviate the contradictions between the total social demand and the total social supply. However, current phenomena of everyone engaging in business, cadres engaging in reselling goods for high profits, and other irregularities have caused some difficulties for the commercial department in arranging market supply.

They called on the trades and professions concerned and the consumer goods producers to correctly handle the relationship between domestic trade and foreign trade, and between the interests of factories and the interests of the consumers, and supply more goods to domestic market. They urged state-run commerce to promote lateral cooperation, expand the source of commodities, and ensure ample market supply of consumer goods in the 2d half of the year.

Urban Residents Earn More, Eat Better

*OW1208142588 Beijing XINHUA in English
0721 GMT 12 Aug 88*

[Text] Beijing, August 12 (XINHUA)—China's urban residents had deposited 206.7 billion yuan (\$5.9 billion U.S. dollars) in savings accounts as of the end of last year, and had cash holdings of 31.5 billion yuan (\$8.5 billion U.S. dollars).

These figures just released by the State Statistics Bureau and published in today's OVERSEAS EDITION of the "PEOPLE'S DAILY," indicate China's urban residents are earning a lot more, with people seeing the most benefit during the last 10 years.

In 1978, annual living expenses were 315.83 yuan (85.40 U.S. dollars) in big cities, but the figure climbed to 915.96 yuan (248.00 U.S. dollars) in 1987, or an 85.7 percent increase after deducting the price factor.

Wages for employees in state-run enterprises nearly doubled during the same period, with bonuses and subsidies increasing five times over, the paper said.

Food consumption patterns have greatly changed over the past 10 years, with average annual per capita grain consumption down 18.59 kilograms and vegetables down 162 kilograms, but pork consumption up 5.51 kilograms and eggs up 2.87 kilograms. Figures also show people are eating more fish and sugar.

According to the bureau, at the end of last year, out of 100 families, 99.4 own a TV, 19.9 have a refrigerator, 103.92 have bought electric fans and 57.38 have cassette recorders, the paper said, adding in 1978, these items were not commonly found in people's homes.

Supplies of bicycles, sewing machines, radios and watches are now meeting the demand, the survey said.

Commentator Urges Protecting Entrepreneurs

*HK1308040388 Beijing GUANGMING RIBAO
in Chinese 3 Aug 88 p 1*

[Commentator's Article: "Protect the Entrepreneurs"]

[Text] A few days ago, the Intermediate People's Court of Liaoning Province openly tried the case of the murder of Wang Suqin, an outstanding woman entrepreneur, and sentenced the murderer Li Dan to death as he was found guilty of intentional killing. This case attracted attention from people throughout the country. While feeling deep sorrow at the death of the woman entrepreneur, people also find that it is necessary to draw a painful lesson from this case. This is not an isolated criminal case, because similar cases have occurred in all parts of the country. Therefore, it is a noticeable issue under the current reform situation to protect the personal safety and legitimate rights and interests of the entrepreneurs.

In recent years, more and more enterprises have adopted the lease or contract system and deepened the reform of their internal management systems. Cases of retaliating against entrepreneurs or killing entrepreneurs occurred from time to time. The cause of such cases was that after being fired or dismissed from office, the criminal offenders harbored strong resentment and nursed an idea of retaliation. Factory directors and managers stand at the core of the enterprise, and they easily become the focus

of various contradictions and conflicts, whose worsening may give rise to serious criminal events. The consequences of such events are seriously evil, because they added more psychological pressure on the entrepreneurs who lead the trend of reform, and also adversely affected the mood of other workers. Such problems must not be neglected.

Protecting the entrepreneurs is protecting the reforms. We can say that protecting the entrepreneurs is one of the major conditions for advancing the reforms. Leaders and governments at all levels must resolutely and effectively support the entrepreneurs who are promoting the reforms, protect their personal safety, and guarantee their legitimate rights and interests. The judicial department should severely punish the criminal offenders who retaliate against and injure or kill entrepreneurs. At the same time, party committees and political work departments at all levels should support the reform measures of the entrepreneurs and at the same time patiently and carefully mitigate and eliminate various contradictions and prevent them from worsening so as to create a favorable environment for the reforms. The cause of reform represents the wishes of the people. So the reforms must be carried on, and must continue to develop in depth through overcoming various obstacles.

Competitive Bidders Encounter Criticism

OW1208120688 Beijing XINHUA Domestic Service
in Chinese 2316 GMT 8 Aug 88

[Report by XINHUA reporters Fan Yingli and Li Zhenghua on "Problems Concerning Competitive Bidding for Enterprise Operation: Let Competitive Bidders Surface From Underground"]

[Excerpts] Beijing 9 Aug (XINHUA)—When we were covering the practice of competitive bidding for enterprise operation in Chongqing, the largest industrial city in the southwestern region, we discovered a peculiar situation.

One day, at a department that was inviting public bidders, we saw a couple inquiring about the bidding. The man looked sincere for the bid but also very cautious. The woman seemed worried about something and inquired into every detail of the bidding. They were most concerned about how losers in the bidding will be treated and whether it will affect their future wage increase and promotion. Before they left, they repeatedly asked the department to keep their names "confidential," as if revelation of their names would cause them big trouble.

We later found similar situations in Wuhan, Shenyang, Shanghai, and Shaoguan. Many bidders entered their bids in a sneaky way and reached agreement with the bid-inviting department that their entry into the bidding be withheld from the knowledge of their organizations if they lose the bidding. Some people call them "underground" competitors.

Competitive bidding is an inevitable product of the development of commodity economy and is repeatedly affirmed and advocated by the central authorities. Then, do why those comrades have to remain "underground"? Some competitors told us why.

A young cadre of a Chongqing plant did a good job and was regarded by the leaders of the plant as very promising. "Not content with the factory job," he took part in a competitive bidding, but lost it. After he returned to the plant, the leaders considered him disobedient and no longer treated him well. The workers jeered him and described him as "crazy about high position." It was too late for him to "repent."

An old technical cadre in his fifties entered into two competitive biddings. After he lost the first one, people around him gossiped: "This greedy person was trying to get rich by foul means," and "He is overrating his abilities, going after high positions." His neighbors jeered him: "Unable to get a high position in his plant, he is going too far by begging from the public. He is indeed too ambitious!" His wife criticized him: "Why did you want to seek the limelight? The whole family has been disgraced by you." He succeeded in the second bidding, but he still could not forget the predicament after his failure in the first try.

We interviewed about a dozen competitors. They all had similar experiences of varying degrees, be they winners or losers in the bidding.

It seems that to free "competition" from the stigma of capitalism is very important, but it is still not enough. In order to truly practice competitive bidding for enterprise operation, we must make efforts to eliminate the influence of traditional forces and break the fetters of old moral values. [passage omitted]

Let competitors surface from "underground"!

Rural Economy Gaining Economic Importance

OW1508124988 Beijing XINHUA Domestic Service
in Chinese 0559 GMT 6 Aug 88

[By reporter Zhang Yinshu]

[Text] Beijing, 6 Aug (XINHUA) —During the past 10 years, the strength of China's rural economy has improved tremendously, and it is occupying an increasingly important position in the national economy. The latest figures of the State Statistical Bureau indicate this. The gross rural social output value in 1987 was 943.2 billion yuan; in comparable price, it increased by 2.3 times over 1978, and has grown at an annual rate of 14 percent. Its proportion in the gross national social output value rose from 29.8 percent in 1978 to 40.9 percent in 1987.

During the restructuring of the rural economy, the labor and know-how contributed by peasants have played an increasingly important role in the creation of wealth

within the whole society. In 1987, the gross rural social output value of each rural worker reached 2,400 yuan. In terms of comparable price, it increased by 1.5 times over 1978. In 1987, each rural worker produced 1,286.3 kg of grain, 13.5 kg of cotton, 48.6 kg of vegetable oil, 63.1 kg of pork, beef, and mutton, and 30.4 kg of aquatic products, respectively, an increase of 19 percent, 75.3 percent, 1.6 times, 1.1 times, and 89.2 percent over 1978.

The yield from cultivated land and the proportion of nonstaple produce put on sale have shown notable improvement. Based on the computation of cultivated area, in 1987, the grain output per mu was 242 kg, cotton output per mu was 58 kg, and vegetable oil output per mu was 91 kg, respectively, an increase of 43.2, 93.3, and 62.5 percent over 1978; the proportion of nonstaple farm produce coming onto the market increased to 58.2 percent, and that of industrial and farm products increased to 69 percent, respectively, an increase of 13 and 15.3 percent over 1978.

The strength of the rural economy indicates its increasing importance in the national economy. The all-out development of the rural economy has provided a more ample supply of raw materials for light industries. In 1987, the output value of light industries using nonstaple farm produce as raw materials was 342.6 billion yuan, an increase of 1.8 times over 1978 in terms of comparable price, and has grown at an annual rate of 12 percent. This has helped the country to earn more foreign exchange. The export value of nonstaple farm produce and its processed products amounted to 16.34 billion United States dollars in 1987, an increase of 10.23 billion United States dollars over 1978. All these have helped to further the development of agriculture, and the yearly increase of peasants' income has helped to accumulate more and more funds for the expansion and improvement of farm production. In 1987, the proportion of peasant households nationwide owning large and medium farm machinery at year end was over 60 percent, and most of the small farm machinery were already owned by them.

Rural, Joint Enterprises Seen as 'Superior'

OW1208150488 Beijing XINHUA in English
0743 GMT 12 Aug 88

[Text] Beijing, August 12 (XINHUA)—China's state-owned enterprises should follow the top-notch management techniques practiced in the country's rural enterprises and Sino-foreign joint ventures to speed up the reform, an article in today's "PEOPLE'S DAILY" said.

In a front-page article, Lu Dong, chairman of China's Industrial Economics Association, said, "Management of China's rural enterprises and Sino-foreign joint ventures is obviously superior to that of the country's state-owned enterprises."

In the article, which was based on a survey made by his association of firms in Beijing and Tianjin and Hebei, Zhejiang, Jiangsu and Liaoning provinces, Lu said,

because of China's overall economic administration and related policies, rural enterprises and Sino-foreign joint ventures are independent commodity producers, while state-owned firms lack management autonomy so much of their potential remains untapped.

In the article, Lu discussed the differences between rural enterprises and joint ventures compared with state-owned enterprises. He said rural enterprises and joint ventures are market-oriented and are in a risky position because they rely on competition to survive, while maintaining a safer status, managers and employees in state-owned enterprises lack the drive to compete and have no sense of risk. [sentence as received]

"Some people want to work in rural enterprises because compensation depends on one's contribution, but others prefer the security of state-owned enterprises, which offer the same fixed benefits for all," Lu added.

State-owned enterprises are often frustrated by government interference, Lu explained, and sometimes state-owned firms have to create overlapping administrative departments which correspond to similar government departments.

China's state-owned enterprises also have too many underemployed workers on staff, whom they can not fire under the country's current labor system, Lu said, adding estimates say 20 or 30 percent of the employees on the payroll of state-owned enterprises aren't needed.

To further enterprise reform, Lu said, the government should allow state-owned enterprises to become independent economic entities and give managers more autonomy, while labor system reform should also be carried out to improve work efficiency.

In addition, management personnel from rural enterprises can be invited to assist in managing state-owned enterprises, Lu said.

Recommendation for Higher Interest Rates Cited

OW1508074388 Beijing XINHUA in English
0631 GMT 15 Aug 88

[Text] Beijing, August 15 (XINHUA)—"ECONOMIC DAILY" today appealed once again for higher interest rates for bank deposits and loans in step with the increase of prices.

The paper, in a front page investigative report, noted that retail sales prices have soared 23.7 percent since 1985 yet the rates of interest for loans have remained at 7.92 percent and for savings at 7.2 percent.

The interest rates are basically unchanged since the 1950s, the report said, adding that they reflect neither the demand for money supply nor the turnovers generated by bank loans.

The report said the low interest rates have caused panic buying and a scramble for cheap banks loans by work units.

It cited the case of a worker in Wuhan City, central china, who has bought enough salt to last his family of four 10 years, despite the government repeatedly stating that it will not raise the price of salt.

On hearing rumors the price of rice was going up, another family, in Changzhou City, east China, went out and bought half a ton.

Interest payments account for only two or three percent of most firm's production and operational costs, the report said.

This has led firms to rely heavily on banks loans for development but to pay little attention to their turnovers.

The report said bank loans rose 25.9 percent over the 1984-87 period in contrast to China's gross national product, which was up 11 percent.

Smaller Steelworks Play Important Role

HK1308083688 Beijing CHINA DAILY in English
13 Aug 88 p 3

[By staff reporter Liang Chao]

[Text] China's small and medium-sized iron and steel enterprises are playing an important role in the country's development of this sector.

These enterprises turned out 8.07 million tons of steel and 10.78 million tons of iron, accounting for 30 percent of the country's total output of steel and iron in the first seven months of this year, according to an official from the Iron and Steel Department under the Ministry of metallurgical Industry.

Gao Qingju, deputy director and also an engineer of the Office for Local Enterprises under the department, said that there are more than 500 small and medium-sized iron and steel enterprises, about 50 percent of the nation's total.

The backbone of this sector are 58 enterprises with outputs of more than 150,000 tons of steel and iron annually, more than 10 percent of the total.

More than 80 percent of the iron and steel products come from these key enterprises, Gao said.

China's iron and steel production has been increasing by 3 million tons a year. More than 1.2 million tons, over 30 percent of the total, were produced by these 500 enterprises. From this year, the annual output is expected to reach more than 1.5 million tons.

At present, because of shortages, China has to import more than 10 million tons of steel every year, although the country is the fourth largest steel-maker after the Soviet Union, Japan and the United States.

Most of these enterprises were set up in the 1950s and operated with outdated equipment.

Since they were upgraded six years ago, their steel output has shown a sharp increase.

Development in these enterprises are due to the country's reform. The responsibility system was adopted and large sums of money for investment have been collected by the industries themselves in recent years.

The funds were used to build projects which need less investment but can yield quicker returns. Profits were used to upgrade their equipment.

Some of these steelworks—Handan in Hebei Province, Echeng in Hubei Province, Xinyu and Jiangxi in Jiangxi Province, Kunming in Yunnan Province and Lianyungang in Jiangsu Province—can be expected to develop into large enterprises in the next few years.

Experts Propose Limit to Nonbanking Institutions

HK1208100388 Beijing CEI Database in English
12 Aug 88

[Text] Beijing (CEI)—Chinese economic and financial experts proposed that the development of non-banking financial institutions should be limited appropriately before the Central Bank find an efficient way to manage them. [sentence as received]

They said in the absence of efficient management on the part of the central bank and the self-controlled mechanism of non-banking financial institutions themselves, the excessive development of such institutions scattered the utilization of funds and promoted the overheating of capital investment.

According to a survey, China now has more than 730 trust and investment companies, enterprise finance companies and leasing companies. Besides, there are more than 1,790 urban credit cooperatives. By the end of May this year, the 600-odd trust and investment companies had a total savings deposits of 45.3 billion yuan and an outstanding amount of loans of 62.1 billion yuan. The urban credit cooperatives had a total savings deposits of 11.2 billion yuan and a total outstanding amount of loans of 10.9 billion yuan.

Many counties, towns and villages in the country have set up non-banking financial institutions like credit cooperation foundations or financial service institutions to collect money for financing new construction projects on high interest rates. Such activities not only reduced the savings

deposits of specialized banks, but also destroyed the reasonable utilization of funds, because these loans have not been incorporated in state loaning plans.

Most Commercial Enterprises Contract Out
OW1208111188 Beijing XINHUA in English
0556 GMT 12 Aug 88

[Text] Beijing, August 12 (XINHUA)—By the end of June above 80 percent of the nation's large and medium-sized commercial enterprises and 90 percent of small ones had been contracted out.

According to today's "ECONOMIC DAILY," various approaches to the contract responsibility system are being practised in these enterprises.

Many enterprises have contracted not only economic but also service targets and recontracted them to their employees.

Managerial personnel are now often chosen through public recruitment. More than 40 percent of enterprises in Shandong and Gansu Provinces have invited tenders from would-be enterprise managers.

Meanwhile, these enterprises have sometimes entered into cooperation with each other and set up a total of 7,300 enterprise groups nationwide to promote business.

China Sets Up 458 Enterprises Overseas
OW1408224388 Beijing XINHUA Domestic Service
in Chinese 2357 GMT 7 Aug 88

[By reporter Zhang Yi]

[Text] Beijing, 8 Aug (XINHUA)—While promoting foreign investment at home, China has also been investing and setting up factories overseas. As of the 1st half of this year, China had approved to set up abroad 458 Sino-foreign joint ventures, Sino-foreign contractual joint ventures, and wholly Chinese-owned enterprises, with a total investment of US \$1.838 billion, of which US \$678 million, or 37 percent, was from China.

Since the implementation of the open policy, some large and medium enterprises and foreign trade companies in China have been looking all over the world for places suitable for production and marketing, or rich in raw materials, and establishing enterprises overseas. According to the Foreign Economic Cooperation Department under the Ministry of Foreign Economic Relations and Trade, these overseas enterprises center around industrial production and exploitation of resources, such as aluminum smelting, rubber, textile printing and dyeing, timber, paper pulp, deep-sea fishing, iron ore, gold mining, etc., in 67 countries and regions. So far, over half of these overseas enterprises are either under construction or operational and have thousands of management, technical, and labor personnel from China.

Over 80 percent of those operational overseas enterprises run well. The Xilin Company, invested solely by the China International Trust and Investment Corporation in the United States, deals in the exploitation of forest resources and ships most of the logs it fells to China. A knitting mill set up in Mauritius has been operational since it was still under construction and in 2 years recouped its total capital outlay and began turning out profits. A mosquito-repellent incense plant set up in Bangladesh, a garment factory in Malta, a plastic product plant in the United Arab Emirates, and an iron-smelting mill in Brazil all achieved good economic benefits [jing ji xiao yi 4842 3444 2400 4135] after going into operation. There also are some enterprises that lost money due to poor management or selection of investment projects.

Through overseas investment, China acquires resources which are in short supply on domestic markets and increases export of local technical equipment and commodities. Overseas enterprises also import into China advanced, suitable technical equipment at preferential prices and with high-quality service to help domestic enterprises with their technological renovation and increase their export and foreign exchange earning capability.

Production of Brand Name Cigarettes To Increase
OW1208115888 Beijing XINHUA Domestic Service
in Chinese 1043 GMT 8 Aug 88

[By reporter Zhou Liang]

[Text] Beijing, 8 Aug (XINHUA)—The State Tobacco Monopoly Administration today decided to put the production plan of brand name cigarettes directly under its control in an effort to produce more brand name cigarettes to ease the shortage on the market.

It is reported that after the deregulation of brand name cigarettes by the state, it has become necessary to produce more to further stabilize the market. For this purpose, the State Tobacco Monopoly Administration has decided to readjust the production quotas of brand name cigarettes. After readjustment, the overall production quota for 13 brand name cigarettes will increase by 38 percent over last year: Production of "Zhonghua" by 51.6 percent, "Yunyan" by 51.4 percent, "Hongshuangxi" and "Mudan" by more than 100 percent respectively, and "Shilin" by 39 percent. "Hongshancha," whose production was put on hold last year due to shortage of raw and supplementary materials, will increase its production to 30,000 cartons.

Besides putting the production plan of brand name cigarettes under its direct control, the state, in an effort to promote the production of brand name cigarettes, will also give priority to brand name cigarette factories in providing raw and supplementary materials and scheduling technological renovation.

At present, the Shanghai, Yuxi, Kunming, Qujing, Changchun, and Beijing cigarette factories that make the 13 brand name cigarettes are busy implementing new measures to increase production, tapping their own potentials, readjusting and streamlining labor structure, and cutting down on waste, in a bid to raise the quality of brand name cigarettes while fulfilling additional production quotas.

Number of Pigs in Stock Nationwide Increases

OW1408200788 Beijing XINHUA in English
1336 GMT 14 Aug 88

[Text] Beijing, August 14 (XINHUA)—The number of pigs in stock is increasing in China although a bigger number was slaughtered in the first half of this year compared with the same period last year thanks to favorable policies of the government on encouraging pig raising.

By the end of June, a total of 128 million head of pigs had been slaughtered this year in China, 3.53 million head or 2.8 percent more than the comparable figures of last year. Fifteen provinces and autonomous regions reported increases in market pork supply.

Meanwhile, nearly 326 million head of pigs are being raised in the country, 3.66 million more than that for the same time last year.

China faced a pork shortage nationwide since last year and the government had to ration the supply a few months ago. Encouraging policies have brought about swift changes in the pig raising industry.

But an official from the Ministry of Agriculture said China's pig-breeding industry is still confronted with a shortage of transportation facilities which led to overstock of pork in many provinces while at the same time, other parts of the country still face pork shortage.

Development Strategy for Western China Viewed

HK1508111288 Shanghai SHIJIE JINGJI DAobao
in Chinese 8 Aug 88 p 2

[Report from Xian by contributing correspondent Wang Zhonglou (3769 0022 2869): "Some 200 People From 10 Provinces and Regions Gather in the Ancient City of Xian To Explore the Issue of Developing Western China—Instead of Keeping Silent, the 'Poor Fellows' Are Determined To Become Masters in Developing the Western Region"]

[Text] In the past 10 days of July, some 200 people from the political and academic theoretical circles, entrepreneurs, and journalists from 10 provinces and regions in western China, namely, Shaanxi, Guangxi, Ningxia, Tibet, Nei Monggol, Xinjiang, Gansu, Qinghai, Guizhou, and Yunnan, gathered in the ancient city of Xian to explore, from the political, economic, social, historical, cultural, national, and regional angles, the issue of

reforming and developing western China in both theory and practice. The news circles noted that the gathering was held against the background of the strategy for developing the economy in the coastal areas put forward and implemented by the CPC Central Committee and the State Council. The meeting will have a far-reaching influence on the state's overall development strategy and the future socioeconomic development of the entire western region.

The gathering was graphically described as modern China's "gathering of poor fellows." Li Xiutan, deputy chief of the propaganda department of the Shaanxi Provincial CPC Committee, said: Striding across the two major basins of the Huang He and the Chang Jiang, the western region is rich in natural resources. However, due to various reasons, its productive forces have been backward during recent times. He said that the issue of reforming and developing the western region has become an important issue of strategic significance to China's economic, political, and cultural development.

On the conditions in the western region and its development strategy, objective analyses were made, and numerous proposals were put forward, at the meeting. A report entitled "A Preliminary Inspection of the Western Regions's Productive Forces in the Initial Stage of Socialism," which Xian's Jiaotong University submitted to the meeting, attracted the interest of the participants. The 65-page report points out that, due to the advantages of the western region in natural resources, processing industry, and scientific and technological forces, it is suggested that provinces and autonomous regions with rich natural resources and a relatively poor economic foundation should implement a strategy of developing natural resources and the value-added processing industry and that provinces and autonomous regions with fairly developed processing industry should implement an "import substitute strategy" so as to provide the coastal areas and other parts of the country with relatively advanced technological equipment and industrial consumer goods. The report points out: The western region should establish an economic pattern which is primarily inward-oriented and to a lesser degree outward-oriented, and take an active part in international, domestic, and regional circulation. Not only should it enter the markets in the United States, Japan, and Western Europe through the coastal areas in southeastern China, it should also actively enter the markets in central, western, and southern Asia, the Soviet Union, and Eastern Europe through the "western outlets." Opening up to the West is of special significance. Moreover, it also suggests adopting the "stratified, selected inclining policy" [fen ceng ci zhong dian zheng ce 0433 1461 2945 6850 7820 2398 4595] of the central authorities. That is to say, in arranging state construction projects and investment priorities, we should not only lean toward the vast areas in the East but also toward some economically developed areas, key cities, and large and medium-size enterprises in the West, and support

the energy, raw materials, mechanical, and electronics industries urgently needed by the state in order to establish a good inter-circulatory system.

Xu Bingwen, vice president of the Gansu Provincial Academy of Social Sciences, expounded and proved the regional economic development strategy of "one and a half priorities" he had previously put forward, holding that "the priority of the development strategy of China's productive forces should be placed in the east" and "the third-line region represents half a strategic priority for China's economic development." In line with the theory of "one and a half priorities," he pointed out that in a non-priority area it is necessary to build a certain area in a planned way so that it can become a growing point to boost economic development in the hinterland.

Inspired by the selected inclining policy of the central authorities, many participants deemed it advisable to appropriately carry out a selected inclining policy in a province or an autonomous region, such as the policy of concentrating on the development of Shaanxi's Guanzhong area to boost the development of southern and northern Shaanxi and the policy of concentrating on the development of Gansu's Hexi corridor. Some others put forward the idea that the western region should change the practice of "each province going its own way," associate with different provinces and regions, and gradually establish a "common market in the western region." This suggestion was taken seriously by the participants.

On the unfavorable factors and difficulties in developing the western region, the participants not only pointed out the extremely uneven development in the productive forces in the western region, the substantial existence of natural economy and traditional agricultural economy, and their fetters and influence on the commodity economy, but also especially analyzed the great gaps that exist between the western and eastern regions in terms of concept, idea, and culture, as well as the nationality and religious issues in the development of the western region.

Most people here hold that this extraordinary meeting indicates the awakening of the western region. The strong sense of crisis and urgency reflected at the meeting, the understanding of conditions in the western region, and the many plans for regional development strategy have clearly shown that they have discarded the practice of airing vague and general opinions and the typical ideas of waiting for opportunities and relying on aid and asking for support from the higher authorities. In the face of the opportunities and challenges, people in the western region do not want to remain silent any longer. They are determined to become masters in developing the western region. A genuine transformation is being introduced and a new onslaught is being planned here.

State Employees To Train for New Jobs
HK1208045888 Beijing CHINA DAILY
in English 12 Aug 88 p 3

[By staff reporter Zhang Lin]

[Text] One-third of China's 90-million employees in state-run enterprises will receive training for new jobs as the nation adopts a series of policies to improve labour efficiency.

The key part of China's adult education programme is to give these 30 million workers leaving their original jobs a solid educational background and prepare them for new jobs, a State Education Commission spokesman said.

The aim of adult education has been readjusted to develop on-the-job training to help improve workers' knowledge and practical skills.

Last year, over 23 million employees out of 90 million working in state-owned enterprises nationwide studied various courses for over 50 academic hours, State Education Commission spokesman told "CHINA DAILY."

Among them, about 18 million, 75 percent of the total, received on-the-job training, an increase of 7 percent over the previous year, the spokesman said.

Adult education covers three areas: regular college courses, single subject courses and courses offering professional knowledge required by certain jobs. All will offer diplomas.

According to statistics, over 1,000 colleges and 4,000 technical schools in China now offer adult education. And urban enterprises have provided cultural and technical courses for 30 million workers in the past few years.

In the past, the spokesman pointed out, China's adult education concentrated too heavily on academic work and failed to put enough emphasis on developing the practical skills required in work.

A survey of 83 managers in China's coastal Fujian Province revealed that the most effective training comes on-the-job, greatly improving the efficiency of employees.

And over 30 percent of the heads of the workshops in the enterprises have been trained in this way, the spokesman said.

Enterprises' managers and engineers also attend various training courses to upgrade their knowledge and improve their management abilities.

And the training of the enterprises' managerial staff is expected to finish in 1990, the spokesman said.

He urged that the reform of adult education be more flexible in line with the reform in China's personnel, wage and employment systems.

Tourism Industry Records Progress for Jan-Jun
OW1508122088 Beijing XINHUA in English
1146 GMT 15 Aug 88

[Text] Beijing, August 15 (XINHUA)—China's tourism industry recorded satisfactory progress in the first half of this year, according to figures released here today.

Between January and June, 15.045 million overseas travellers crossed the Chinese border, 19.5 percent more than in the same period last year. And foreign exchange earnings generated from tourism amounted to one billion U.S. dollars, a 26.6 percent increase, the National Tourism Administration announced.

Tourists from Hong Kong, Macao and Taiwan accounted for 14.15 million of the total—21.1 percent more than in the same period last year. In addition, there were over 852,000 foreigners, an 9.8 percent increase, and 41,290 Overseas Chinese, up 21.2 percent.

Among the foreign tourists, the Japanese, who were in the majority, numbered 286,400, 15.4 percent more than in last year. The number from Europe reached 184,800, an

11.6 percent increase. However, tourists from the United States, that used to be the second-largest group, numbered only 133,400, 6.3 percent less than in last year.

"Since 1988 is an election year in the U.S., many Americans in the more affluent classes, who account for the majority of those who visit China, possibly prefer to stay at home. This might be a reason for the decrease," an analyst said.

The large foreign exchange earning increase was possible mainly because 1988 is China's international tourism year and many cities have introduced colorful new tourism programs. The large influx of Taiwanese to the mainland to visit relatives was another reason.

The most serious problem in the way of tourism development is still inadequate transportation, experts said.

The decision to raise the prices of plane tickets for 56 domestic lines to major tourist cities and to unify the air ticket prices for Chinese and overseas passengers between July 20 and October was one of the measures taken to alleviate the problem. The Civil Aviation Administration of China has also decided to increase the number of flights later this year.

East Region

Fujian Enterprises Available to Foreigners
OW1508072688 Beijing XINHUA in English
0536 GMT 15 Aug 88

[Text] Fuzhou, August 14 (XINHUA)—East China's Fujian Province has decided to offer small state-owned industrial enterprises for sale or lease to foreigners or investors from Hong Kong, Macao and Taiwan.

The move hopes to raise foreign funds and acquire better technology and management expertise, a local government official said.

The sales may be conducted through public bidding or negotiated settlement and will include workshops, machine and equipment and infrastructures. The land use rights will be sold within a period agreed on by both sides.

Purchasers can pay by instalment over a maximum of two years in foreign currency at rates quoted by the State Administration of Exchange Control.

New owners will be able to hire staff at will.

Taiwan Businessmen Set Up Enterprises in Xiamen
HK1208151888 Beijing ZHONGGUO XINWEN
SHE in Chinese 0249 GMT 11 Aug 88

[Report: "The Enterprises Set Up in Xiamen by Taiwan Businessmen Are Mostly Wholly Owned"]

[Text] Xiamen, 11 Aug (ZHONGGUO XINWEN SHE)—According to statistics by the relevant department, in the 1st half of this year, Xiamen approved the establishment of a total of 32 Taiwan-financed enterprises, 20 of them self-owned. The total amount of investment involving Taiwan-financed enterprises has reached more than \$70 million. Thirty of these enterprises have started operating and gone into production.

The projects involving Taiwan capital are chiefly industries dominated by electronics, light industry, foodstuffs, textiles, and so forth. Animal breeding, crop planting, and real estate also account for a certain percentage of investments. In the 1st half of this year, exports of Taiwan-financed enterprises in Xiamen accounted for 80 percent.

At present, Taiwan-financed projects in Xiamen are mostly medium-sized and small. But there are also relatively large projects. For example, the "Taiwan Villa" to be built by Taiwan businessmen in cooperation with the Construction and Development Company of the Xiamen Special Economic Zone covers an area of 100,000 square meters; a guest house, villa, office building, garden, recreational facilities, shopping malls, and so forth are involved in this three stage project. The first stage calls for an investment equivalent to 6 million yuan. Another joint

venture between the Construction and Development Company of Xiamen Special Economic Zone and another Taiwan businessman also involves an investment of \$2.2 million. In addition, preparations are also being made for the construction of the "Taiwan Club House" financed jointly by a chamber of commerce of Taiwan compatriots and Xiamen—a project proposed by American-born Taiwan compatriots.

Jiangsu Commentary on Importance of Price Reform
OW1208120388 Nanjing Jiangsu Provincial Service
in Mandarin 2200 GMT 9 Aug 88

[Station commentary: "The Most Important Thing Is To Let the Masses Understand Reform"]

[Text] More than 10 days have passed since the lifting of control over brand name cigarette and liquor prices. What is the reaction of the masses? Has deregulation created great social upheavals? These questions concern the people.

The situation in Jiangsu has been good. According to comrades of the provincial and Nanjing City Cigarette and Liquor Marketing Departments, at the beginning there were long lines of people rushing to buy cigarettes and liquor. After several price fluctuations, the prices have stabilized, and supply and demand have now stabilized. After rising at the beginning, prices of brand name cigarettes have stabilized and may even fall in the future. According to a briefing by comrades of the provincial Price Department, since the lifting of controls on brand name cigarette and liquor prices, commodity prices in Jiangsu's urban and rural areas have been relatively stable. The rise in prices of daily necessities, which the people have been worried about, did not occur at all.

Although cigarettes and liquor are not daily necessities, their prices are of immediate interest to many people. Why has the measure on lifting the prices of brand name cigarettes and liquor been accepted by society, and what makes it possible for the measure to pass through the perilous period safely? We maintain that the most important thing is that the reform measure has won the understanding and support of the people. They noted that the work of publicizing and explaining the measure had been started early. Besides, there were several days between the announcement and the deregulation. This enabled people to absorb the shock and understand the reform measure better.

This tells us that we must regard the understanding of the masses as most important. Reform is an undertaking of the millions upon millions of people themselves. Whether reform can proceed depends on the degree of understanding of the masses. Only by understanding reform correctly can the masses correctly participate in and actively support reform. The initial success in lifting the control on the prices of brand name cigarettes and

liquor tells us that before the masses can comprehend reform, they must be made to understand it first, and that we must respect the people's right to be informed of the situation.

Before a reform measure is carried out, we must first inform the masses of it and allow them to discuss it. In this way they will understand the situation better. We must never carry out a reform measure suddenly. If we do, problems will arise because the masses do not understand why it is carried out. Reform should have the understanding of the masses. Moreover, we must assess whether society can bear it. The ability to endure something is the foundation of understanding. People will invariably find it hard to understand something that is hard to bear. Some people find that what is most difficult to bear about price reform is its psychological effects, because they fear price increases [words indistinct]. Therefore, we must do a good job in publicizing and explaining the price reform, make the masses understand policies, and explicitly explain things that worry and concern them most. In this way we will be able to win their understanding and support and create a good atmosphere in which all of us take the risk of trying to solve the problem.

Jiangxi's Mao Zhiyong at Cadre Placement Meeting
OW1508104288 Nanchang JIANGXI RIBAO
in Chinese 5 Aug 88 p 1

[Excerpts] A 3-day provincial work meeting for the placement of demobilized Army cadres ended in Nanchang on 4 August. The meeting called for the Army and local departments to coordinate closely and continue to make proper arrangements for the placement of demobilized Army cadres this year. [passage omitted]

The meeting summed up and exchanged the experience acquired in making proper arrangements for the placement of demobilized Army cadres in the previous 3 years and drew up a plan for making arrangements for this year's placement task. [passage omitted]

Jiang Zhuping, member of the Standing Committee of the provincial party committee and vice governor, and Chen Lijiu, director of the Political Department of the provincial Military District, spoke at the meeting. [passage omitted]

During the meeting, Mao Zhiyong, Wu Guanzheng, Liu Fangren, Jiang Zhuping, Lu Xiuzhen, Wang Guande, Chen Lijiu, and responsible comrades of the Armed Police Corps and other departments concerned met with all participants of the meeting. They had a group photo taken to mark the occasion.

As of now, proper arrangements have been basically made for the placement of this year's more than 1,700 demobilized army cadres in our province. Over 90 percent of them have received notices to report for their placement.

Shandong Signs Cooperation Contract With Hebei
SK1508055988 Jinan Shandong Provincial Service
in Mandarin 2200 GMT 14 Aug 88

[Text] The summary of talks sponsored by the Shandong and Hebei provincial people's governments on establishing ties of long-term and stable coordination was signed in the city of Shijiazhuang on 14 August.

Signing their names to the summary on behalf of their provincial people's government were Ma Zhongchen, vice governor of Shandong Province, and Ye Liansong, vice governor of Hebei Province. Attending the signing ceremony were Xing Chongzhi, secretary of the Hebei Provincial Party Committee; Yue Qifeng, governor of Hebei; Song Shuhua, vice governor of Hebei Province; and Yang Yanyin, member of the Shandong provincial party Standing Committee.

The summary was made after full consultations attended by the leading personnel of both provinces while the delegation of the Shandong provincial party committee and people's government took a study and familiarization tour in Shijiazhuang, Hebei. Since the date of the signing ceremony, the two provinces have formally established ties of long-term and stable economic and technical coordination.

The provincial delegation that is on the study and familiarization tour in Hebei Province headed by Ma Zhongchen, Shandong vice governor, and Yang Yanyin, member of the Shandong provincial party Standing Committee, left the city of Jinan and arrived in the city of Handan, Hebei, on 9 August. The delegation was briefed by responsible personnel of the cities of Handan and Shijiazhuang on their experiences and situation. The delegation visited a number of plants and rural villages and was briefed on their good experiences. They were greatly inspired by the deeds revealed during the tour.

The delegation left Shijiazhuang on 14 August for other cities, including Baoding, to continue its familiarization tour.

Economist Urges Curbing Shanghai Growth
HK1508065888 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 15 Aug 88 p 1

[By staff reporter Shen Feiyue]

[Text] Shanghai—The city's economy could be harmed if no effective measures are taken to curb the overheated growth in capital investment and consumer spending and improve the economic efficiency of its enterprises, a senior economist has warned.

In the second half of this year the city is short of at least 1.5 billion yuan to sustain economic growth, stock up on raw materials for next year's production, and buy farm produce for urban consumption, said Zhang Lingqian, chief economist of the Shanghai branch of the People's Bank of China.

Zhang said the severe shortage was caused by a significant decrease in the amount of money withdrawn from circulation and a wide gap between the volume of bank deposits and loan extensions in the first six months of the year.

The bank reported that by the end of June the amount of money withdrawn from circulation totalled about 1.49 billion yuan, down 758 million yuan on the same period last year. In the same period, bank deposits increased by 1.21 billion yuan while bank loans increased by 3.57 billion yuan, leaving a gap of more than 2.3 billion yuan between the two.

Zhang said the drop in the amount of money in circulation had mainly been caused by a dramatic growth in take-home pay including salaries, bonuses and subsidies. He regarded it as the inevitable result of unchecked expansion of capital construction and vigorous industrial growth.

"The central government has been urging us to tighten the money supply and cut down on the amount of capital construction, but quite a number of such projects are still going ahead for various reasons," Zhang said. "The strong economic growth has also increased the demand for more money, although it is vitally important to meet the growing public demand for consumer goods.

"The growth in capital investment and consumer spending is partly to blame. Many new trading companies have made good profits simply through price mark-ups when goods change hands from one company to another. They have greatly increased the need for more money in." [as published]

Shanghai's volume of retail sales increased by 24 per cent over the first half of last year, while take-home pay (salaries and bonuses) and subsidies went up by 36 per cent and 43 per cent respectively, according to the bank.

Zhang said other factors have also affected the amount of money in circulation. Many residents keep large sums of cash at home and are ready to buy expensive household appliances such as colour TV sets and refrigerators, items which are always in short supply. People are reluctant to put money in the bank because the interest rate lags behind inflation.

The bank reported that by the end of June, the city's savings deposits had risen by only 13 per cent over the end of last year, a lower increase than in the same period last year.

Zhang attributed the growth in bank loans to factors including expansion of production, introduction of new systems and the rising prices of raw materials and energy.

Shanghai Mayor Addresses Nonstaple Food Meeting
OW1408113888 Shanghai City Service in Mandarin
2200 GMT 13 Aug 88

[Excerpts] The Shanghai Municipal Nonstaple Food Retail Work Meeting was held on 13 August. The meeting set specific guidelines for the nonstaple food market to strengthen its reform, expand its business, and improve its service. Mayor Zhu Rongji was present and spoke at the meeting. [passage omitted]

Mayor Zhu praised cadres, staff, and workers on the nonstaple food market for having made great efforts under difficult conditions. Mayor Zhu said: I wholeheartedly thank staff and workers on the nonstaple food market. Their work plays a very great role in terms of developing Shanghai's economy and enhancing Shanghai residents' morale.

In his speech, Mayor Zhu set three demands on the nonstaple food market's work. They are: 1) strengthen ideological and political work, inspire the people's enthusiasm, and boost the people's morale; 2) carry out in-depth reform and introduce the mechanism of competition; 3) all departments support and coordinate actions with the nonstaple food market so there will be no shortage of nonstaple food. [passage omitted]

Shanghai Leaders Attend Public Security Meeting
OW1208140088 Shanghai City Service in Mandarin
0900 GMT 11 Aug 88

[Excerpts] A meeting on public security in Shanghai opened today at the auditorium of the People's Armed Police group.

Jiang Zemin, secretary of the municipal party committee, and Zhu Rongji, mayor of the municipality, attended the meeting.

In his speech at the meeting, Mayor Zhu Rongji pointed out: The municipal party committee and government place great hopes on the public security cadres and police that they will build good public order and a stable social environment through their work in order to meet the needs of the current situation in reform and opening up to the outside world.

Zhu Rongji said: We should understand and support public security work and make it a practice to concern ourselves with this work. Large numbers of traffic cadres and policemen should enforce the law strictly and strengthen traffic control in order to contribute to improving traffic order and reducing traffic jams.

In his speech at the meeting, Li Xiaohang, director of the municipal Public Security Bureau, called on all public security cadres and police to get a clear understanding of the situation and their tasks and efficiently do their work in high spirits in order to better serve reform and opening up to the outside world. [passage omitted]

At the morning meeting, Li Xiaohang also pointed out: Public security organs at various levels in the municipality must deal severely with discipline violations by public security personnel. Such cases must be investigated and handled promptly once discovered. We must not tolerate and accommodate ourselves to such cases.

Central-South Region

No Decision on Disposal of Daya Nuclear Waste
HK1508113188 Hong Kong SOUTH CHINA
MORNING POST in English 15 Aug 88 p 1

[By Andy Ho]

[Text] Radioactive waste from the Daya Bay nuclear power station is to be stored on the site for at least the first 10 years. Top officials of the Sino-Hong Kong joint project have yet to decide on how to dispose of the waste in the long-term.

Hong Kong's most senior executive at Daya Bay, Mr William Stones, said the Guangdong Nuclear Power Joint Venture Company (GNPJVC) had ruled out dumping the nuclear waste into the sea. But the utility's 15-member executive committee remains undecided on the permanent disposal of the potentially hazardous uranium waste.

Mr Stones pledged that the GNPJVC would adhere to current world practice in handling spent in nuclear fuel from its twin 900-megawatt reactors, at present under construction about 30 kilometres northwest of the border. He said the company was still weighing the merits of two viable options—storage in remote underground caverns or reprocessing.

"Since the power station will not enter service until 1992 and provision has been made for temporary site storage of waste for about 10 years, there is adequate time for waste disposal plans and facilities to be completed," said Mr Stones, the first deputy chairman of the scheme.

He explained that intermediate and low level waste will be compacted and mixed with concrete before being placed in radiation-resistant drums for on-site storage.

Another concrete layer can be added to the outside of the drums as an extra precautionary measure. The waste will then be stored in containment buildings before being transferred to a strictly controlled dumping area in a remote area. Highly radioactive spent nuclear fuel rods

from the reactors, on the other hand, will be stored in ponds to allow time for the most active materials to decay. They will later be removed from Daya Bay in heavily shielded casks.

"The fuel will then either continue to be stored in remote underground caverns or be reprocessed," said Mr Stones.

The GNPJVC, as the operator of the \$28.8 billion Daya Bay station, is responsible for handling radioactive waste while on site. When the waste leaves the site, however, it will be the responsibility of China's nuclear authorities to ensure safety for its transport, disposal, storage or reprocessing.

Surveys are underway in China to identify suitable disposal locations.

"The basic requirements for storage of high level waste and spent fuel," said Mr Stones, "are underground repositories deep in stable geological formation in remote land areas, perhaps in the far northwest of China".

In the case of reprocessing the active waste will be diluted to a very small fraction of the original volume of the rod.

The GNPJVC is negotiating with Chinese and French nuclear fuel producers on supply contracts for the Daya Bay facilities.

A member of the newly-established Sino-Hong Kong Nuclear Safety Consultative Committee, Dr Raymond Yeung Man-kit, said temporary on-site storage of radioactive waste was a common practice. The Massachusetts Institute of Technology-qualified nuclear engineer said radioactive waste was usually returned to the fuel supplier for reprocessing. But Dr Yeung added that he had no idea whether the same arrangement would apply to Daya Bay.

Guangdong Urges More Reforms in Personnel System
HK1508102288 Guangzhou Guangdong Provincial
Service in Mandarin 0400 GMT 15 Aug 88

[Text] The provincial party committee Organization Department, the provincial Personnel Bureau, Planning Commission, and Office for Restructuring Economic System have recently issued a joint circular, calling on all localities to further reform the system of enterprise personnel.

The circular noted: Enterprises owned by the whole people throughout the province should introduce competitive mechanisms and select their executives through the competitive-bidding system. At present such a measure must be taken mainly at enterprises which are not contracted and enterprises whose business contracts are going to expire, including enterprises which are willing to be contracted but have suffered heavy losses due to mismanagement and are badly in need of changing their

executives because they are confronted with many problems. Now all types of enterprises, are encouraged to select their executives at all levels through the competitive-bidding system.

Seventh Guangdong People's Congress' Third Session

Notes Rapid Development

HK1308083488 Beijing CHINA DAILY in English
13 Aug 88 p 2

[By staff reporter Wu Caibin]

[Text] Guangzhou—Economic development in Guangdong Province has increased rapidly in the first half of this year.

The gross product increased 14 percent over the comparable period of last year. The total output value of industry increased 31 percent to reach 39.968 billion yuan.

The figures were cited by Wang Guiying, director of the provincial Planning Committee, at the third session of the seventh provincial People's Congress which opened on Tuesday.

Wang said foreign trade exports increased 34 percent, retail sales 38 percent and provincial revenue 28.6 percent.

Production of early rice this year was affected by cold waves early in the season and later from droughts, waterlogging and winds. The area in grain was 22.45 million hectares, 43,000 hectares less than last year. But Wang estimated that the total production could remain at the same level as last year.

He said the area under sugar cane was 3.59 million hectares, 15,000 hectares more than the previous year, a change from the decreasing production of the past two years.

The income from township enterprises totalled 20.3 billion yuan, a 40 percent increase over the same period last year.

Wang said the output of the main industrial products mostly had reached or surpassed their targets.

Production of 10 kinds of nonferrous metals increased 34.6 percent; steel products were up 16 percent. Refrigerators registered a 51.5 percent increase and television sets 52.23 percent.

Wang said the labour productivity rate of the staff and workers in industrial enterprises increased 17.1 percent, but the comparable production cost was up 10.6 percent.

Deficits of enterprises reached 89.78 million yuan, a 44 percent increase over the same period of last year.

Referring to foreign trade, Wang said that the province concluded 3,448 contracts with overseas companies in the first half of this year and the province's export earnings totalled \$3.52 billion.

He said the urban and rural markets prospered as the provincial retail sales reached 28.17 billion yuan.

The main commodities were in normal supply, but a few goods were short, especially some daily necessities.

He said the rapid increase in production raised provincial revenues to 5.712 billion yuan in the first half of this year. Expenditures totalled 3.746 billion yuan, a 24.5 percent increase over the same period of last year.

As a whole, the rapid increase in economic development and the stronger supply capability provided a healthy situation for the reforms, Wang said. But he warned that a lot of difficulties must be overcome. The enterprises are not as profitable as they should be and the shortages of energy, transport and raw materials are deepening.

The living standards of some residents are dropping because of higher prices.

Guarantees Civil Rights

HK1308054988 Guangzhou Guangdong Provincial
Service in Mandarin 0400 GMT 13 Aug 88

[Excerpts] The third meeting of the Seventh Guangdong Provincial People's Congress Standing Committee concluded yesterday afternoon. The meeting discussed and approved the provincial regulations on ensuring the citizen's rights of assembly, procession and demonstration, and other legislation.

According to these regulations, the people's government at all levels must guarantee the lawful exercise of the citizens' rights of assembly, procession, and demonstration. When exercising these rights, the citizens must not violate the legal provisions by harming state, social, or collective interests or the freedoms and rights of other citizens.

The meeting also discussed and approved the provincial labor management regulations for special economic zones, heard a report by the provincial procuratorate on pilot projects in crime reporting, and decided to establish centers at all procuratorates at county-level and above for reporting crimes of graft and corruption. [passage omitted]

The meeting passed a resolution on developing forage grass and animal husbandry in Guangdong. The resolution stated that the province's area of forage grass should develop to 1 million mu in the next 5 years. The provincial finance department and agricultural commission should allocate 1.8 million yuan and 2,000 tons of chemical fertilizer each year to the development of forage grass and animal husbandry.

Dissatisfied With Law Reports

HK1208104088 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 12 Aug 88

[Text] Members presented their views while deliberating on reports made by the provincial people's government, People's Court, and People's Procuratorate, on the examination of law enforcement at the third meeting of the seventh provincial People's Congress, which is being held in Guangzhou.

Many members expressed dissatisfaction with the report by the provincial people's government, noting that it has no substance and it only goes through the motions. Member (Li Guo) pointed out: The report only covers how a few departments and bureaus enforced the law but does not include how all government offices did. Meanwhile, no explanation was given on how to solve the problems raised in the report. Some members noted: The failure of the provincial people's government to take the matter seriously should arouse our attention. They suggested that the provincial People's Congress Standing Committee must supervise the examination of the observance of the law by the provincial people's government and should not let it be done superficially.

Members were fairly satisfied with the reports made by the provincial People's Court and People's Procuratorate but they pointed out that problems posed in the reports were not detailed enough, so it is difficult for the standing committee to supervise them. It was proposed that the standing committee hear, at an appropriate time, reports on how the provincial people's government, People's Court and People's Procuratorate approach the problems they raised in the examination of their law enforcement.

Bans Child Labor

OW1308135188 Beijing XINHUA in English 0652 GMT 13 Aug 88

[Text] Guangzhou, August 13 (XINHUA)—A set of regulations approved here today by the Standing Committee of the Guangdong Provincial People's Congress bans the recruitment of under-age labor in the province's special economic zones (SEZ).

Also, according to the new rules, employers in the SEZ are not allowed to fire employees who are suffering from occupational diseases or industrial injuries. Neither are they allowed to fire women employees during pregnancy, maternity leave or breast-feeding period.

Six working days and eight working hours a day should be ensured, and minimum wages should be set by the various city governments, the regulations stipulate.

Also approved today by the Standing Committee were regulations on demonstrations, and on corruption and bribery control.

While calling for governments at various levels to guarantee citizens' rights to hold mass rallies and demonstrations, the regulations stress that these activities should not harm the interests of the state, society, collectives or other citizens.

Notices of rallies should be given to the relevant departments five to seven days beforehand and be carried out in a peaceful way, according to the regulations.

The anti-corruption legislation stipulates that report centers should be set up in all procuratorates at county level and above. Bona fide informers should be rewarded and have their identities protected.

'Hefty' New Customs Duties on TV's, Motorcycles

OW1308183888 Beijing XINHUA in English 1429 GMT 12 Aug 88

[Text] Shenzhen, August 12 (XINHUA)—The Kowloon Customs in Shenzhen on the border with Hong Kong will start imposing hefty duties tomorrow on dutiable color televisions and motorcycles brought to the mainland by passengers.

The duty on a color television sets will be 400 yuan to 4,500 yuan according to their size.

The duty on motorcycles will be 2,000 yuan to 7,000 yuan for different cylinder capacities.

A circular issued by the General Administration of Customs said the new duties are aimed at strengthening the administration of state-limited import goods.

They are expected to deal a heavy blow on persons who use the price difference at home and abroad to resell goods at a profit.

Guangxi To Build Joint-Venture Power Stations

HK1508100988 Beijing CEI Database in English 15 Aug 88

[Text] Nanning (CEI)—Guangxi has signed an agreement on jointly building the Beihai Power Station with the Hong Kong and Macao International Investment Corporation. Containing two 200,000 kilowatt generating units, the station will produce electricity in 1992.

In addition, Guangxi will use foreign capital to build a diesel power station with an installed capacity of 30,000-40,000 kilowatts and a batch of small power stations in Wuzhou, Yulin and Qinzhou. They will be under construction by the end of this year and generate electricity next dry season.

Guangxi University Vice President Removed

OW1408154688 Beijing XINHUA in English
1332 GMT 14 Aug 88

[Text] Nanning, August 14 (XINHUA)—Feng Ganwen, vice-president of Guangxi University in south China, has just been removed from his post and given a warning within the Communist Party for cowardice.

On June 8 last year, a young man who was identified later as a student fired from the university rushed in the meeting room of the school and attacked the president with a knife, seriously wounding him. Those who were attending a meeting in the room struggled with the armed assassin, but Feng Ganwen fled. He did not call for help either.

The assassin was dealt with by law and sentenced to death by the court. The teachers and students of the university were all angry with Feng for his cowardice and irresponsible attitude.

The Guangxi Zhuang autonomous regional people's government decided to remove Feng from his post and the regional party Discipline Inspection Committee decided to give him a serious warning.

Hainan Leader Stresses '30 Regulations'

HK1408025388 Haikou Hainan Provincial Service
in Mandarin 1000 GMT 13 Aug 88

[Excerpts] Liang Xiang, principal responsible person of the provincial government, said at the first plenary meeting of the government yesterday: The 30 regulations embody the spirit of reform and express in specific form the preferential policies allowed Hainan by the central authorities. We must update our concepts, unify our thinking, apply the spirit of reform in formulating economic rules and regulations, change the functions of government, simplify the administration and delegate powers, and unite as one to further implement the 30 regulations and stimulate the development of the productive forces. [passage omitted]

Liang Xiang said: We should apply the spirit of reform in formulating economic rules and regulations in the course of implementing the 30 regulations. We should refer in a planned way to Hong Kong's experiences and its economic rules and regulations. Each sector and trade should have its own development plan and rules and regulations. [passage omitted]

Liang Xiang said: Some comrades hold that now that the 30 regulations have been produced, there is nothing left to do and we can relax. This is wrong. There were all kinds of defects in the old system of the past. Many departments are constantly interfering in economic affairs and competing for money, projects, materials, and approval chits. Now we are changing the functions of government and have set up 27 departmental centers. We are simplifying the administration and delegating

powers. Government functions are being changed from direct control to indirect regulation and to providing macroeconomic guidance and guidance in principles and policies, undertaking overall planning, and coordinating the relations between various sectors. The government is becoming the core and the pivot in guiding, coordinating, and supervising the economic operations of the whole of society. These are very arduous tasks, and the demands set on us are still higher.

We must set up and cultivate capital, labor, technology, information, materials, and other market systems, and establish and put on a sound basis economic supervision, economic levers, and economic organizations. Responsibilities and duties must be explicitly defined, relationships must be smoothed out, and party and government functions must be separated. The party's task is to step up ideological and political work and party building and support enterprise reforms, to ensure that the 30 regulations can be implemented.

Liang Xiang said in conclusion: We must keep the government clean and honest in the course of implementing the 30 regulations. Each department should formulate rules for keeping clean and honest and preventing corruption, and step up ideological education. Struggle must be waged against bribery, corruption, and perversion of justice in the process of transferring land, issuing approvals for the import of materials, and handling foreign exchange. We must strengthen ties with the masses and establish systems for receiving letters and visits from the masses, holding consultations and dialogue, doing work on the spot, and making reports seeking instructions, to improve work efficiency.

Responsible persons of the provincial government Bao Keming, Wang Yefeng, Xin Yejiang, and Zou Erkang also spoke at the meeting. They put forward specific demands on work style and methods, promoting unity, stepping up study, and observing discipline and law.

Henan Invites Tenders for Enterprises

OW1208135688 Beijing XINHUA in English
0724 GMT 12 Aug 88

[Text] Beijing, August 12 (XINHUA)—Henan Province will invite tenders for running more than 300 enterprises, reported today's "ECONOMIC DAILY".

These enterprises will be contracted out, leased out, auctioned or merged.

In June the governor of the province and leading officials of 40 enterprises clinched agreements to this effect with economically-developed Jiangsu Province.

According to the paper, the province has 2,200 state-budgeted industrial enterprises. Among them, 30 percent are unprofitable and some are on the brink of bankruptcy.

"We believe the new measure will improve the situation," said a provincial official.

Also, the province will adopt preferential policies to attract tenders from other provinces and municipalities, he added.

Hubei Government Urges Fighting Drought
*HK1308031188 Wuhan Hubei Provincial Service
in Mandarin 1130 GMT 12 Aug 88*

[Excerpts] The provincial government issued an urgent circular today demanding that the province continue to do a good job in fighting drought and crash-sowing and crash-tending the crops. The circular said that, under the influence of typhoon No 7, most parts of the province have had welcome rain in recent days, and the drought has eased somewhat. However, due to the very long period of drought previously, plus the fact that this rainfall has been very uneven, with very little falling in nearly 50 counties and cities and none at all in some places, the drought has not been relieved. Hence, continuing to get a good grasp of drought-fighting, disaster relief, crash-sowing, and tending the crops remains the key task in the rural areas.

1. Further analyze the drought situation and persevere in fighting the drought to the end. All localities must make new arrangements for the struggle against drought in light of the unevenness of the rainfall. [passage omitted] According to the weather forecast, rainfall will remain slight through mid-August. It is therefore necessary to mobilize further the cadres and masses to establish resolve and confidence to fight the drought to the end. [passage omitted]

2. Seize the favorable moment to crash-sow crops. [passage omitted]

3. Do a good job in preventing and dealing with plant diseases and insect pests and reduce the losses caused by them. [passage omitted]

4. Strengthen organizational leadership and provide specific guidance according to local requirements. [passage omitted]

Southwest Region

Sichuan Machinery, Electronics Exports Double
*OW1308190188 Beijing XINHUA in English
1337 GMT 13 Aug 88*

[Text] Chengdu, August 13 (XINHUA)—Exports of machinery and electrical and electronic products from Sichuan, China's most populous province, have doubled in the first half of this year compared with last.

They are expected to reach 100 million U.S. dollars by the end of the year.

A local trade official said the major export products used to be primary materials and spare parts.

But now half of the export are audio-visual equipment, equipment used at power stations, precision machine tools, electronics, plane parts and household electrical appliances.

Last year's exports of machinery and electrical and electronic products were worth 72 million U.S. dollars, quadruple the value of exports in 1985.

Machinery and electrical and electronic products now make up 14 percent of the province's total exports, surpassed only by silk, cereals and textiles.

Sichuan Capital To Curb School Dropout Rate
*OW1308021288 Beijing XINHUA in English
1509 GMT 12 Aug 88*

[Text] Chengdu, August 12 (XINHUA)—The Chengdu Municipal People's Congress has developed new regulations to stem the increasing number of dropouts from schools in this city, capital of Sichuan Province.

The regulations, formulated and approved by the congress' Standing Committee, make the number of students who drop out a major criterion in judging the work performance of schools.

The regulations guarantee the child's right to an education. They say that education should be provided, and that slow learners should not be neglected.

According to Xiao Juren, vice chairman of the Standing Committee, 20.3 percent of the junior middle school students dropped out from 1984 to 1987.

The situation is most serious in rural areas, he said.

The reason for leaving in most cases is to earn money. Some students and parents, he said, believe it is more beneficial to take jobs than attend school.

Meanwhile, some enterprises and private businesses recruit child laborers in defiance of the law.

Xiao said another reason for students dropping out is the orientation of school.

Some schools pay too much attention to bright students, preparing them for university, and not enough to poorer students, who lose interest and confidence and then wind up leaving.

The regulations also protect students against discrimination, humiliation, and physical punishment, which are forbidden, and prevent institutions and individuals from recruiting primary school and junior middle school students for jobs.

Violators will face punishment.

Chengdu Military Region Calls for Honesty
*HK1508091088 Chengdu Sichuan Provincial Service
in Mandarin 2200 GMT 14 Aug 88*

[Text] The Chengdu Military Region CPC Committee has recently issued to all its units seven regulations for keeping them clean and honest.

The essence of these regulations is: To enforce strictly discipline in personnel and financial affairs and welfare benefits to high-ranking cadres, to improve ethical standards in offices of its units, to prohibit sternly the abuse of power for personal gain, racketeering, twisting the law in order to obtain bribes, indulging in extravagance and waste, and giving lavish dinner parties and gifts.

The Chengdu Military Region CPC Committee has also adopted five measures to guarantee the enforcement of those regulations. The measures stress the need to broaden regular education in keeping its units clean and honest and to strengthen supervision, inspection, and improvement of rules and regulations; especially call for being incorruptible and seriously handling those who violate regulations, disregarding their positions, according to party discipline, military discipline, and relevant laws; and urge giving no political and economic advantages and preferential treatment to those who violate regulations.

Members of the Chengdu Military Region CPC Committee have pledged that they will take the initiative and welcome supervision from the military region's party organizations at all levels, all party members and all officers and men.

Tibet Leaders View Organizational Work
*HK1408051588 Lhasa Tibet Regional Service
in Mandarin 1330 GMT 13 Aug 88*

[Excerpts] Raidi and Doje Cering, deputy secretaries of the regional party committee, pointed out at a regional forum on organizational work on 13 August: Under the leadership of the CPC Central Committee and the party committees at all levels, the region has scored some success in organizational and personnel work in recent years, but some problems also exist which need to be studied seriously and resolved by the party committees and departments at all levels. [passage omitted]

Raidi pointed out in his speech: At present there are too few minority nationality female cadres being cultivated and promoted. Certain leaders and departments still practice the unhealthy method of appointing people to posts on the strength of acquaintanceship. These problems must be studied seriously and resolved by the party committees and the departments at all levels.

In conclusion he expressed the hope that the comrades engaged in organizational and personnel work in the region will emancipate their minds, observe strict discipline, be honest and impartial in their dealings, and further promote the progress of organizational work in the region, to ensure that this work can make new contributions toward Tibet's economic development.

Doje Cering spoke on a number of problems meriting attention in the region's organizational work at present. He said: For Tibet to develop and progress, it is essential to cultivate talent, attach importance to knowledge, and promote the progress of science and technology. At the same time, all Tibetan and Han cadres must support, understand, and care for each other and uphold the principle that Hans and minority nationalities cannot do without each other. It is essential to have a view of the overall situation when doing organizational work and to adopt a serious, earnest, and cautious attitude in carrying out this work at present.

Tibet Concludes Organizational Work Meeting
*HK1508021688 Lhasa Tibet Regional Service
in Mandarin 1330 GMT 14 Aug 88*

[Excerpts] The 5-day regional forum on organizational work concluded in Lhasa on 14 August. The main agenda of the meeting consisted of relaying and implementing the spirit of the national organizational work conference and studying and making arrangements for governing the party with strictness and deepening the reforms of the cadre and personnel system. [passage omitted]

Raidi, Doje Cering, and Danzim, deputy secretaries of the regional party committee, spoke at the meeting on the tasks for the region's organizational work in the new period.

In a concluding speech, Wang Hailin, director of the regional party committee's Organization Department, called on the comrades of the region's organization and personnel departments to brace their spirits, do their work in an honest and impartial way, further promote the building of the organization departments themselves, and work hard and sincerely for the party and people.

Tibet Develops Lhasa River Valley With WFP Aid
*HK1508100588 Beijing CEI Database in English
15 Aug 88*

[Text] Lhasa (CEI)—A comprehensive project for developing the Lhasa River Valley, with the World Food Program (WFP) aid, has been recently started in four counties and districts in Lhasa.

Under the project, WFP will provide 40,000 tons of wheat to develop 6,720 hectares of land for agriculture, pasture and forestry.

After a five-year period, irrigated area will expand to 2,381 hectares, planting 1,509 hectares of grass, afforesting 3,099 hectares and 813 hectares for both trees and grass.

It is expected that in this area the afforestation rate will rise to 9 percent from the present 3.6 percent and per capita income from 176.4 to 308.2 yuan.

Yunnan Commission Urges Defense Education
*HK1408035588 Kunming Yunnan Provincial Service
in Mandarin 1000 GMT 13 Aug 88*

[Excerpts] An enlarged meeting of the Yunnan Provincial People's Armed Forces Commission has demanded that the party committees and government at all levels conduct in-depth education in national defense, to enhance the people's national defense consciousness and raise the peacetime building of the reserve national defense forces to a new level.

The meeting was held in Kunming from 10 to 12 August. He Zhiqiang, governor of the province and chairman of the commission; Zhao Tingguang, vice governor and vice chairman of the commission; Wang Zuxun, commander of Yunnan Military District, and Zhao Kun, political commissar, attended the meeting. [passage omitted]

He Zhiqiang, Zhao Tingguang, Wang Zuxun, and Zhao Kun spoke at the meeting. They said: Yunnan is located on the motherland's southwest border and is the outpost in combat against Vietnam. At a time when the state is concentrating efforts on building the four modernizations and the serving PLA units have been reduced greatly, the party committees and government at all levels must regard the building of the reserve forces as a major strategic task and grasp it well for a long time to come. Only by grasping the building of the reserve force and boosting national defense strength can we create a peaceful and tranquil environment for economic construction. We must build a powerful and effective militia force to work together with the PLA in defending peace and tranquillity on the border.

The party, government, and Army leaders at all levels must attach great importance to stepping up national defense education for the whole people to enhance the people's national defense consciousness. The party committees, government, and people's Armed Forces departments at all levels must cooperate closely in conducting national defense education for the Army and people throughout the province and in further enhancing their national defense consciousness, so as to make new contributions to the great cause of defending the border and invigorating Yunnan.

North Region

Beijing Officials Strive To Cut Budget
*OW1508080888 Beijing XINHUA in English
0656 GMT 15 Aug 88*

[Text] Beijing, August 15 (XINHUA)—Beijing municipal party and government officials have decided to hold their meetings in less expensive venues.

A three-day meeting of 200 party officials scheduled at a city hotel last week was moved to the party government office building instead, thereby cutting the meeting budget by 15,000 yuan.

Another meeting was reduced by three days through the introduction of simpler meeting procedures, shorter reports, and fewer documents.

A circular issued by the State Council last month urged stricter control nationwide on the number of meetings officials hold.

In recent years party and government officials in Beijing have held meetings at luxurious hotels where they have enjoyed sumptuous feasts, free recreation and got valuables as mementoes of the occasion. Some even went sightseeing.

As a result meeting budgets grew fat along with a growing resentment of local residents.

Beijing Semiannual Construction Costs Up
*OW1508115588 Beijing XINHUA in English
0939 GMT 15 Aug 88*

[Text] Beijing, August 15 (XINHUA)—Beijing municipal government spent 3.44 billion yuan on construction projects in the first half of this year.

The largest share, accounting for 1.47 billion yuan, went to urgent projects including highways.

About 15 percent was spent on residential dwellings. Although local authorities have been urged to cut investment on capital construction, Beijing spent 440 million yuan more in the first six months than the corresponding period of last year.

Production construction projects cost 145 million yuan.

They involved a new water system to augment supplies by 340,000 tons a day and renovations at a power plant to boost power capacity by 200,000 kw. There were also buildings for the Asian Games.

Construction of 33 hotels and halls was stopped, in line with a State Council decision to reduce capital spendings on non-essential projects.

Projects Curtailed

OW1308001188 Beijing XINHUA Domestic Service
in Chinese 1359 GMT 11 Aug 88

[By reporter Pan Shantang]

[Excerpt] Beijing, 11 Aug (XINHUA)—According to a decision made at a key construction work conference for the Beijing area, which ended yesterday, the 105 key projects planned at the beginning of this year will be cut to 78. This will ensure the timely completion of certain key capital construction projects, such as those for the Asian Games, medical and health care, and municipal construction.

This year the capital construction task in the Beijing area is quite heavy. There were 105 key state and local projects planned at the beginning of this year. These, plus the ordinary capital construction projects, would entail a total capital construction area of 25 million square meters for this year, including new construction and renovation work. This means an excessively large scale of capital construction and an overly extensive capital construction front. Under these circumstances, the Beijing municipal department in charge of capital construction decided early this year to ensure the construction of only certain key projects, including the one for the Asian Games, as the policy for this year's capital construction. Then, with the approval of the State Council, it canceled or postponed a number of construction projects while speeding up others. An example is the Shijingshan Power Plant renovation project in Beijing, a key state project in the Seventh 5-Year Plan. The first 200,000-kw generator, originally scheduled to be operational by the end of this year, was completed and tested in July. The Asian Games project is drawing worldwide attention. The original plan called for 13 stadiums and gymnasiums to be completed by the end of this year. Actually, as of the end of July, structural construction had been completed and interior work begun on 11 of them, including the Yuetan, Shijingshan, Haidian, and the University Students stadiums and gymnasiums. The other two are in the roofing stage. Another example, the first-stage work on Beijing's No 9 Water Supply Plant has been initially completed and has begun limited operation.

With regard to the curtailment of capital construction in the Beijing area, the traditional practice was that efforts were geared up in the 1st half of the year but relaxed in the 2d half. In view of this problem, the conference rearranged the key projects in the Beijing area to be completed this year according to their priorities. [passage omitted]

Beijing Economic Exchange With Other Regions
OW1208232988 Beijing XINHUA in English
0946 GMT 12 Aug 88

[Text] Beijing, August 12 (XINHUA)—To boost its economic construction and to provide more non-staple

foods for the capital's residents, Beijing has established 1,300 economic cooperation entities and signed agreements for about 12,000 economic and technical cooperation projects.

Beijing has set up several hundred bases in resource-rich provinces and cities to supply it with pork, grain, edible oil, sugar and vegetables.

At the same time, the city has invested 2.92 billion yuan to set up aluminum, steel, chemical fertilizer and other plants, and expanded the output of Beijing products in other provinces and cities. For instance, Beijing's "Wuxing" brand beer is being produced in nine provinces, including northeast China's Heilongjiang, northwest China's Qinghai and south China's Fujian. The Beijing brewery obtained 3.2 million yuan for the technology transfer.

Beijing has also set up 50 restaurants specialising in the cuisines of various parts of the country. As a result, tourists and Beijing residents can taste all the country's eight schools of cuisine in Beijing.

The city has also held four news conferences to spread its scientific and technical achievements to other provinces and cities.

Beijing Mayor Comments on Contract Labor System
OW1408080088 Beijing International Service
in Mandarin 0900 GMT 14 Aug 88

[Excerpt] While improving the structure of trade unions in enterprises, Beijing has implemented an all-member contract labor system on a trial basis in Qianmen Commerce Building, No 2 mine of the Coal Mining Corporation, and 26 other enterprises.

Commenting on the all-member contract labor system, Mayor Chen Xitong urged all workers and staff who assume jobs after the structure of trade unions is improved to sign a contract with their enterprises.

(Gong Fuji), director of the municipal Labor Bureau, described the system as the objective of the labor system reform.

To achieve the objective of making all workers and staff contract laborers, Beijing will introduce a floating membership system to the trade unions of all state enterprises at the municipal, district, and county levels in the next 3 years, and change their permanent workers to contract workers in the next 5 years. [passage omitted]

Beijing Employers Make Job Shifting Difficult
OW1308012988 Beijing XINHUA in English
1512 GMT 12 Aug 88

[Text] Beijing, August 12 (XINHUA)—Many employers here are making it tough for employees who want to switch jobs by ordering those who apply for other positions to vacate their unit-provided homes and repay their training costs before leaving.

"This constitutes a major obstacle to the reasonable flow of workers and can be solved only by promoting the reform of the existing labor system," the capital economic information newspaper says.

A major component of the reform was introduction of labor markets this year.

But while the 14 markets set up in the capital have helped 5,631 jobless people find jobs, they have only managed to help 642 people who are already working find new jobs.

A poll by the Beijing Labor Advisory Service Center showed that jobs in hotels, commercial and trading enterprises were favored among 840 people wanting to change jobs.

The poll showed that 38 percent wanted the change because of dissatisfaction with wages, welfare, and working conditions; 34 percent wanted to join work units closer to where they lived; 18 percent asked for job transfers because of poor working environment; and 10 percent considered that their jobs were not in line with their skills.

Beijing Military Doctors Find Leukemia Cure
OW1308021988 Beijing XINHUA in English
0150 GMT 13 Aug 88

[Text] Beijing, August 13 (XINHUA)—Beijing doctors have succeeded in removing leukemia cells from a patient's marrow before replacing it.

Bai Yunfei, a 32-year-old woman of Mongolian nationality, underwent this operation at the hands of doctors from the General Hospital of the Beijing Military Area and the Military Medical Science Academy.

The cancerous growths were killed with the use of a monoclonic antibody. They gave her ultrahigh doses of radioactive and chemical treatment before replacing the purified marrow.

After 2 months' recuperation, the marrow's blood-making function has returned to normal and Bai has gained weight.

Doctors said that the new method has no side-effects.

The standard treatment for leukemia is to transplant marrow taken from a near relative.

Inner Mongolia Official on Labor Problems
SK1408035088 Hohhot Inner Mongolia Regional
Service in Mandarin 1030 GMT 13 Aug 88

[Text] (Sun Hailin), deputy director of the autonomous regional Labor and Personnel Department, said today that the wage and labor systems are two difficult points that face reform. He called on labor and personnel departments at all levels to strengthen the sense of reform, deepen reform of the labor and personnel systems, and contribute to fulfilling the three short-term fighting goals of the region, overcoming the difficulties of reform, and establishing a new social order for a commodity economy.

At the regional labor and personnel work conference held on 13 August, (Sun Hailin) pointed out: Presently, some comrades of the region's labor and personnel departments do not understand the current situation and tasks of reform, as well as the position and role played by the labor and personnel system reforms in developing a commodity economy. These comrades lack the pioneering spirit in their work. Therefore, labor and personnel cadres at all levels must conscientiously study and understand the theory of the initial stage of socialism and the party's basic line, and extricate themselves from the yoke of the rigid concept of right and wrong and outmoded rules and regulations. This is the only way for us to penetratingly and extensively push reform forward.

(Sun Hailin) also cited several important concepts that must be strengthened by labor and personnel departments. These concepts were: 1) The criterion for the right and the wrong of reforms; 2) the concept of competition; 3) the concept of fair distribution of wages; and 4) a new concept on labor employment. He said: We must uphold the standards for productive forces set by the 13th party congress; and must use standards for productive forces to assess and appraise the correctness and feasibility of reform measures for labor and personnel systems. Competition is the inevitable outcome of the development of a commodity economy. In reforming our distribution, labor, and personnel systems, we must also introduce the market competition mechanism.

(Sun Hailin) said: At present, egalitarianism is still the major problem in distribution. In competing with others in wage distribution, some people are primarily in heated competition for scholarly honor, official rank, titles, and educational level, rather than ability, expertise, and contributions. This problem is particularly conspicuous among state organs and institutions.

In addition, the long-standing labor employment system, characterized by unified state distribution, still greatly affected the people's ideas. This is an important cause of the employment difficulty in the region. (Sun Hailin) said: All these ideological problems are major obstacles

to the deepening of reform. Therefore, labor and personnel departments at all levels of the region must presently attach importance to emancipating minds further, renewing concepts, and intensifying the sense of reform.

Second Inner Mongolia KMT Committee Congress Ends
SK1408042888 Hohhot Inner Mongolia Regional Service in Mandarin 1030 GMT 13 Aug 88

[Text] The Second Inner Mongolia Autonomous Regional Congress of the Revolutionary Committee of the Kuomintang [KMT] concluded in Hohhot on the afternoon of 13 August after a 4-day session.

The congress participants listened to and examined conscientiously the work report presented by (Cui Weiyue), chairman of the first regional committee of the Revolutionary Committee of the Kuomintang, entitled "Enhance Spirit, Strengthen Self-Construction, and Unitedly March Forward for Attaining the Tasks on the Work of the Revolutionary Committee of the Kuomintang." The congress also elected the second regional committee of the KMT Revolutionary Committee, which is composed of 14 people, including (Sun Yingnian), (Cui Weiyue), (Lin Xuezhi), (Sun Benyi), (Gu Chengren), (Chen Shangming), (Liu Fenjie), (Zhou Xiaoli), (Chen Jie), (Bai Chengzhi), (Liu Falin), (Yan Ruiyun), (Zhang Naizheng), and (Guo Zhongjie). (Sun Yingnian) was elected delegate to the Seventh National Congress of the Revolutionary Committee of the KMT.

At the opening ceremony of the congress, responsible persons of the regional party, government, military, CPPCC organizations, as well as pertinent departments extended congratulations. Present at the congress were responsible comrades of the various democratic parties, industrial and commercial federations, Taiwan compatriot federations, and Overseas Chinese federations in the region. (Shen Xuebin), vice chairman of the (four modernizations) committee under the Central Committee of the Revolutionary Committee of the Kuomintang, extended warm congratulations to the congress, on behalf of Zhu Xuefan, chairman of the Central Committee of the Chinese Revolutionary Committee of the Kuomintang.

The second committee of the Inner Mongolia Autonomous Regional Branch of the Revolutionary Committee of the Kuomintang held its first meeting on the afternoon of 13 August. The meeting elected (Cui Weiyue) chairman of the second committee; (Sun Yingnian) and (Zhang Naizheng) vice chairmen, and (Sun Benyi) secretary general.

Private Enterprises 'Springing Up' in Shanxi
OW1208231088 Beijing XINHUA in English 1224 GMT 12 Aug 88

[Text] Taiyuan, August 12 (XINHUA)—Private businesses, which means firms employing eight or more, are springing up in Shanxi, one of China's northern inland provinces.

According to a provincial government official in charge of the local private business sector, Shanxi's rural areas now have more than 8,000 private businesses staffed by 150,000 farmers-turned-workers.

In 1987, output value from this sector accounted for 8.7 percent of the province's rural output value, with many of these firms selling their products abroad, the official said.

As part of the reform, more and more farmers have left the fields and gotten involved in non-farming activities, the official went on, and this has created a strong labor force for the province's rural enterprises.

Shanxi's private businesses are mainly involved in transportation, animal husbandry, construction, commerce and the processing industry, he added.

Over 37 percent of these rural enterprises manufacture cheaper and better quality products than those produced in similar state-run enterprises.

Shanxi's rural enterprises have also helped employ about 16 percent of the province's surplus farm workers, and last year alone handed in 50 million yuan (13.5 million U.S. dollars) in taxes to the state.

Two farming families in Yuanping County built a brick kiln to produce floor bricks, and during the first half of this year earned profits of 1.2 million yuan (324,000 U.S. dollars). Some of their products have been sold to the United States, the official said.

The Shanxi provincial government is currently working out more preferential policies to further encourage rural enterprises.

Northeast Region

Heilongjiang's Sun Weiben at CPPCC Work Meeting
SK1308073588 Harbin Heilongjiang Provincial Service in Mandarin 0900 12 Aug 88

[Text] The provincial party committee held a meeting of the Standing Committee to stress the necessity of further strengthening CPPCC work and building socialist democratic politics. On the morning of 11 August, the provincial party committee held the eighth Standing Committee meeting to specially discuss on the work of the provincial CPPCC Committee. Comrade Sun Weiben, secretary of the provincial party committee, presided over the meeting.

The meeting maintained: Over the past few years, the provincial CPPCC Committee has done much beneficial work by centering closely on the party's central work and has exploited its due and positive role in building socialist democratic politics. The meeting stressed: Party committees at all levels should further enhance their understanding of the nature, position, and role of the CPPCC

under the new situation; should positively support CPPCC organizations to perform their functions; and should actually attend to the work of exploiting the CPPCC organizations' role in conducting democratic consultation and exercising democratic supervision by regarding this work as an important part of building socialist democratic politics.

Party committees at all levels should also give full play to the CPPCC organizations' advantages of having more talents and extensive social contacts and to their functions of involvement in and discussion of political affairs in building socialist democratic politics, of supporting and safeguarding the development of reform and the socialist economy, of acting as a bridge and matchmaker for expanding the scale of opening up, of coordinating and supervising the work of maintaining stability and unity, and of promoting the peaceful unification of the motherland.

The meeting pointed out emphatically: We should further strengthen the building of the political consultation and democratic supervision systems in order to gradually regularize and systemize political consultation and democratic supervision.

The meeting discussed and approved in principle several of the provincial party committee's regulations on strengthening political consultation and democratic supervision.

Heilongjiang Plans Telecommunications Update
HK1508101188 Beijing CEI Database in English
15 Aug 88

[Text] Harbin (CEI)—Heilongjiang Province has decided to raise 400 million yuan within three years starting from now to introduce advanced telecommunications equipment in order to ease the tension in telecommunications between large and medium-sized cities and border trading ports in the province.

By 1990, the province will have constructed three microwave lines (Harbin—Heihe, Harbin—Jiagedaqi, Harbin—Yichun), totalling 1,500 km. By then, it will also have added 4,200 lines to long-distance exchange, 180,000 lines to program-controlled telephone exchange and 80,000 lines to electromechanical exchange.

In addition, the department will establish a telecommunications hub and a posts hub in Harbin, and five posts sorting centers in Jiamusi, Mudanjiang, Yichun, Heihe and Jiagedaqi.

Heilongjiang Banks Suffer Deposit Decline
SK1308032588 Harbin Heilongjiang Provincial Service in Mandarin 0900 GMT 9 Aug 88

[Text] On 9 August, to stabilize the banking situation, the provincial agricultural bank put forward four opinions on dealing with the problem of continuous panic purchasing which has caused the agricultural banking units throughout the province to show a sharp decline in saving deposits.

Since July, the agricultural banks and branches throughout the province have shown a decline in varying degrees in the people's saving deposits. Such a phenomenon has drawn great attention from leading provincial agricultural bank personnel. After carrying out investigation and analysis, they contended that there are three major reasons why the people who have withdrawn their deposit money rush to purchase commodities, which are as follows: 1. The price restriction of some famous trade-mark cigarettes and wine has been relaxed and their prices have been risen, which caused a lot of people to be confused by the price situation and to panic. Therefore, they withdrew a large sum of saving deposits and rushed to the markets to buy high-class durable consumer goods, such as household electric appliances; furniture; and knitwear and textile commodities. 2. To expand their sales volume and by proceeding from their partial interest, some store clerks not only refrain from convincing panic purchase buyers and explaining price hikes, but also encourage buyers by saying they had better hurry to buy, otherwise, prices will rise. They attempt to create a man-made tense atmosphere. All of this has promoted panic purchasing by withdrawing a large amount of saving deposits. 3. Under the influence of price hikes, bank saving deposit interest has lost its attraction to some deposit households which even prefer to obtain less interest by withdrawing their saving deposits ahead of schedule. In facing the abnormal social phenomenon and the challenge of stabilizing banking business, the provincial agricultural bank has put forward the following opinions: 1. Agricultural banks at all levels should do a good job in rendering services and enhancing propaganda work. On the one hand, a good job should be done in allocating funds in a down-to-earth manner to ensure successful savings for deposit households. On the other hand, they should enhance the propaganda work and fully explain the price hike while handling business with clients, and advise the deposit households to spend their money in a planned manner and avoid blind expenses. 2. Rural banking units at all levels should adopt multiple measures to reinforce their basic capability and to enlarge their saving sources. The current effective measure is to set up savings accounts with prizes of useful articles as soon as possible to support deposit households and increase saving deposits by presenting them with useful articles, as well as to relieve the tense atmosphere of continuous panic purchasing. 3. Current savings deposit and loan interests are on the low side and income earned from savings deposit interest is lower than the price hike factor. Therefore, the provincial agricultural bank advises the national authorities to readjust savings deposit interest as soon as possible to expand saving sources, to withdraw currency from circulation, and to stabilize markets. 4. The provincial agricultural bank advises party and government departments at all levels to enhance their leadership; to do a good job in conducting propaganda and educational work; to adopt concrete measures to successfully conduct the work among staff members, workers, and the people; and to educate or lead the mass to spend their money reasonably and particularly to educate the broad masses of cadres to refrain from leading the rush to buy commodities.

Heilongjiang's Hou Jie Chairs Work Meeting
*SK1308034588 Harbin Heilongjiang Provincial
Service in Mandarin 0900 GMT 12 Aug 88*

[Excerpts] This morning, the provincial government held its 19th Standing Committee meeting to discuss this year's wheat procurement work and the construction of the Harbin-Daqing Highway.

The meeting maintained: This year, the wheat has come along fine in the province, and the per unit area yield has been relatively high. However, owing to the serious waterlogging during the sowing season, the growing acreage and total output of wheat has declined somewhat. This will greatly affect the wheat procurement this year. The meeting called on governments at all levels and all relevant departments to clearly understand the current situation, unify thinking, strengthen leadership, organize work carefully, actually make this year's wheat procurement a success, and make good arrangements for grain markets in urban and rural areas. [passage omitted]

The meeting also discussed the Harbin-Daqing Highway construction. The meeting decided: Next year, the province will begin to build the grade-separated and all-closed highway from Harbin to Daqing, the first and the largest of its kind in the province. This highway is designed with a total length of 133.5 kilometers; the speed is 100 kilometers per hour; the traffic lane width is 9 meters; the total highway width, including the turn-out lane, is 13.5 meters; and the total roadbed width is 15 meters. It is expected that 4 years will be taken to totally complete this highway construction.

Governor Hou Jie presided over this meeting.

Jilin Cadres Study Central Leaders' Directives
*SK1508062388 Changchun Jilin Provincial Service
in Mandarin 2100 GMT 14 Aug 88*

[Text] Following the important directives given by Comrade Zhao Ziyang and Qiao Shi during their inspection tour of the province, the Jilin Provincial CPC Committee immediately organized the leading personnel of provincial, city, prefectural, and autonomous prefectural organs and of relevant departments and bureaus to earnestly study the directives and to master them. Based on this, the provincial party committee recently put forward that efforts should be made to implement the directives in the following five aspects to push forward the province's drive to conduct reform and its work in various fields:

1. Efforts should be made to clearly discern the situation that prevails in reform. The province's drive to conduct reform, as elsewhere in the country, is developing in depth. At present, the drive has entered a crucial stage in which major stress has been put on conducting reform in commodity prices and wages. We should resolutely support the policy decision made by the central authorities because they are determined to deal with problems in

this regard and we should actively and successfully make preparations in various fields. Our core effort should be concentrated on reinforcing the vigor of enterprises as soon as possible and increasing their economic results. At present, we should first further improve and develop the responsibility system and earnestly study integrating the system with a drive toward conducting reform in commodity prices and wages.

2. Efforts should be made to invigorate enterprises and enliven large enterprises first. The key to invigorating enterprises lies in truly separating political work from enterprise management, bringing about a change in the enterprise managerial mechanism, relaxing the restrictions on enterprise management, having enterprises be responsible for their own profits or losses, and shifting the managerial methods of town-run enterprises to state-run and large enterprises. At present, the managerial methods conducted by town-run enterprises are feasible at all levels.

3. Attention should be paid to dealing with the following four issues: Readjusting the rural production structure, continuously improving farm labor productivity, lowering the unreasonable basic prices of industrial and agricultural products, and raising the excessively low prices of farm and sideline products. A fundamental principle in making rural areas prosperous and making peasants wealthy lies in readjusting the rural production structure, upgrading labor productivity, and having more peasants give up their farming work to engage in other industries. Only by so doing can we achieve the relative concentration of farmland, realize standardized land utilization, reinforce land efficiency, and increase the people's incomes.

4. A good job should be done in maintaining social peace, creating a fine social climate for the drive to conduct reform, vigorously enforcing legal systems, and consolidating public security in a comprehensive way. Efforts should be made to deal with economic crime and other crime as soon as possible. Political and legal work can play an important role in establishing a new order for the socialist commodity economy and over the course of developing productive forces. Therefore, we should have the work serve the drive to conduct reform and enliven the economy.

5. Efforts should be made to enhance party building. The key to the task in this regard lies in strictly running the party. Party committees at all levels should consider party building to be important routine work. Leading party bodies at all levels should set an example in carrying out party building, and particularly leading cadres and organs should do so in this regard to truly foster high morale.

Liaoning Launches Aircraft Manufacturing Firm
*OW1508042088 Beijing XINHUA in English
0112 GMT 15 Aug 88*

[Text] Shenyang, August 15 (XINHUA)—Xinchengzi Township, a suburb of Shenyang, capital of Liaoning

Province, has become the first township in China to have initiated the establishment of an aircraft manufacturing company.

The company have 12 shareholders, mostly research institutes of aircraft manufacturing.

This year it plans to produce five planes with a carrying capacity of 300 kg and able to fly with a minimum speed of 70 km per hour and at a minimum height of two meters—suitable for tourism and farm use, said its chief designer Wang Xinghua.

Most of the company's products will be sold in China but it also assembles planes with imported parts for re-export.

Until now, all aircraft makers in China have been attached to the Ministry of Aeronautics Industry.

Liaoning's Shenyang Truck Company Issues Shares
HK1508101988 Beijing CEI Database in English
15 Aug 88

[Text] Shenyang (CEI)—Shenyang Golden Cup Truck Co. Ltd. of Liaoning Province has recently issued to public 100 million yuan of preferred stocks.

The truck co., which was founded last May on the basis of Shenyang Car Industrial Company, has over 50,000 employees and 1,070 million yuan of fixed assets.

The company produced a total of 27,300 trucks last year.

Stocks have been issued to speed up technology upgrading and expand production.

The company has issued one million shares with a face value of 100 yuan each.

Northwest Region

Gansu Leaders Inspect Economic Development Zone
HK1508013188 Lanzhou Gansu Provincial Service
in Mandarin 2300 GMT 14 Aug 88

[Excerpt] From 11 to 14 August, leading comrades Li Ziqi, Jia Zhijie, Wang Jintang, Yan Haiwang, and Ke Maosheng carried out an all-around and detailed investigation of the Lianhai economic development experimental zone. This is one of the five small economic development experimental zones located on the Gansu section of the upper Huang He. It includes the northwest ferroalloy plant, China's largest silicon iron production base; the Lanzhou carbon plant, which ranks second in size in the whole country; the Liancheng aluminum plant, which ranks first among the eight largest such

plants of the country in aluminum ingot output; other important energy industrial enterprises such as the (Yaojin) coalmine and Liancheng power station; large enterprises such as the (Yaojin) cement plant and the state-owned 504 plant; and a large number of small enterprises.

During their investigation the provincial and city leaders toured workshops, worksites, and mine-shafts to view the situation in production and construction, get to know the distribution of resources, ask about the workers' living conditions, and solve specific problems. They also listened to reports on development plans and measures for the zone's plants and enterprises.

Provincial Party Committee Secretary Li Ziqi said: This tour of Lianhai has given me the profound impression that here indeed are rich resources to be exploited. Relying on and supporting each other, these plants and mines have formed considerable strength. The choice of the Lianhai economic development experimental zone is extremely correct.

He stressed: In building the development zone, we must base our efforts on reality and give scope to local strong points so as to speed up the pace of development. We must delegate powers to the zone and provide policies for it. At the same time, we must stress the sense of science, and carry out scientific demonstration and proof in respect of resources, energy, capital, and markets. [passage omitted]

State Enterprises in Gansu Thriving
OW1408142188 Beijing XINHUA in English
1356 GMT 14 Aug 88

[Text] Beijing, August 14 (XINHUA)—Large and medium-sized state-owned enterprises in Gansu Province are making full use of their technology, material and manpower by running affiliated collective-owned enterprises.

Today's "PEOPLE'S DAILY" reported so far more than 400 such enterprises have been set up with 130-odd state-owned ones as their hosts.

They created an output value of over 300 million yuan in the first half of the year, 45 percent higher than in the same 1987 period, and their yearly output value is expected to be 700 million yuan, the paper said.

These enterprises collect funds by issuing shares among workers and staff or attracting overseas investments.

The state-mwned enterprises put idle equipment to use by leasing them to the collective-owned enterprises, which also serve as an outlet for surplus manpower in state-owned enterprises. They have already employed 100,000 people, the paper added.

Mainland Official Discusses Unification Issues

*HK1508084688 Hong Kong TA KUNG PAO
in Chinese 15 Aug 88 p 2*

[Editorial: "Seek Common Understanding, Promote Reunification"]

[Text] Yan Mingfu, secretary of the CPC Central Committee's Secretariat in charge of united front work, spoke at a symposium held by the Taiwan Fellow-Students Association on 12 August. He proposed that, proceeding from Taiwan's actual situation, three steps be taken to seek and increase mutual understanding. He also expressed his willingness to listen to the different views and opinions from the Taiwan side. This practical attitude and spirit of treating others as equals will exert a positive influence on the relations between both sides of the strait.

As both sides of the strait have experienced decades of confrontation and separation, a pressing matter of the moment is elimination of hostility and an increase in understanding and mutual trust. After listening to the speeches made by fellow students, Yan Mingfu proposed the following three steps: First, establish extensive contacts and break with the abnormal state of keeping oneself isolated from the world. Second, on the basis of these contacts, meet each other and exchange views. Meetings between both sides here refer to meetings at various levels, including meetings between the Kuomintang [KMT] and CPC. Both the KMT and CPC can gain enlightenment from the recent meetings between scholars from both sides of the strait who aired their views without any inhibitions. Third, reach a common understanding through contacts and dialogue. Common understanding is also relative; at times it is not totally identical. Both sides may have reservations. They should seek common ground while reserving differences on major issues and explore ways and methods acceptable to both sides on the premise of peaceful reunification.

One of the main excuses of the Taiwan authorities in sticking to the "three no's policy" is that "the CPC is not willing to give up the use of force." Regarding this specious exaggeration, Yan Mingfu pointed out explicitly: First, the CPC has always insisted on applying peaceful means to resolve the question of reunification. How can we tolerate the Chinese fighting themselves? This is the starting point of Beijing's policy decision on peaceful reunification of the motherland. Herein lies the fundamental interests of the people on both sides of the strait. Second, settlement of reunification between Taiwan and the mainland by peaceful means has been included in the reports to the CPC National Congress and NPC which have been declared to the whole world. The CPC has always maintained that it will be true in word and resolute in deed. As both sides of the strait are responsible for reunification of the country, they should make efforts in this regard. Third, to realize peaceful reunification, the CPC has adopted a series of practical moves such as implementing the "three establishment

policy" prior to the reunification of the country. The Taiwan authorities should respond positively to this. As to why Beijing cannot undertake the commitment not to use force in reunifying the country, this question involves state sovereignty and territorial integrity. Meanwhile, it is for the sake of providing against possible trouble. This is easy to understand. It is also a manifestation of responsibility discharged to the state and nation.

Another excuse of the Taiwan authorities against the "three establishment policy" and exchanges between both sides is that the reasonable proposals of the CPC are regarded as "united front conspiracy" and "united front strategy." As a matter of fact, united front work helps people overcome their difficulties. Moreover, it is transparent. Yan Mingfu, director of the United Front Department, said that the United Front Department does good deeds which include uniting with middle and high level friends outside the Communist Party and resolving difficulties for others. It is a distortion of "united front" for the Taiwan authorities to use "united front conspiracy" as a pretext to obstruct exchanges between both sides of the Strait.

The compatriots on both sides of the strait are related by flesh and blood. They form a whole which cannot be separated. The policies adopted by the 13th KMT Congress towards the mainland lack new ideas and breakthroughs. Viewed from the variable parts, however, there are flexible steps and more room for maneuver. On the whole, the policies focused on the "three no's policy" remain hostile towards the mainland. Thus they are regarded by public opinion as "not having a clear focus" and "nothing accomplished." If relations between the two sides of the strait are not properly handled, it will be impossible for Taiwan to have long-term stability and prosperity. The three steps of establishing extensive contacts between both sides, meeting each other, and reaching a common understanding proposed by Yan Mingfu conform to the strong desire of the people on both sides of the strait. It is also required by the developing situation. We hope that the Taiwan authorities will go with the tide of the times and make a positive response.

Observation Group Leaves Shanghai for Guangzhou
*OW1208123388 Shanghai Voice of Puijiang
in Mandarin to Taiwan 0900 GMT 7 Aug 88*

[Text] A China mainland affairs observation group from Taiwan arrived in Shanghai from Xian on 4 August. During their stay in Shanghai, the Taiwan compatriots visited the Huadong Computing Technique Institute. The visitors were very impressed by the institute's advanced level in research and development. Xie Xide, president of the Fudan University, warmly welcomed the guests from across the Taiwan Strait when they were visiting the school.

The guests also visited Hongqiao Township in Shanghai County, and initially gained some knowledge about the rural life and the village and town enterprises on the mainland. During their stay in Shanghai, members of the group held discussion with some Taiwan compatriots residing in Shanghai.

The group left Shanghai for Guangzhou on 7 August on the last leg of its visit to China.

Ministry's Easing of Travel Restrictions Noted
OW1308105588 Beijing XINHUA in English
0536 GMT 13 Aug 88

[Text] Hong Kong, August 13 (XINHUA)—The "Bureau of Entry and Exit" of Taiwan's "Ministry of the Interior" will relax its limits on trips to the mainland to visit relatives from August 16, according to a Taiwan report.

The definition of "relatives" has been widened to include other than immediate family, and, as a result, some of the 1,863 Taiwanese, whose applications had been rejected because their relatives on the mainland were not in the defined area will be able to reapply through Taiwan's Red Cross society.

According to the report, a total of 200,640 Taiwanese applied to visit relatives on the mainland between November 2 last year and August 10 this year, and 197,783 received travel permits.

During this period, 147,623 Taiwanese visited relatives on the mainland, and of them, 128,983 have already returned to Taiwan.

Mainland, Taiwan Musicians Urge Greater Contacts
OW1108112888 Beijing XINHUA in English
0742 GMT 11 Aug 88

[By Qian Wenrong]

[Text] New York, August 10 (XINHUA)—A welcome dinner, called "Coming Together," was given here tonight for 20 Chinese composers from both China's mainland and Taiwan to the first-ever symposium on "Tradition and the Future of Chinese Music" in four decades.

More than 300 Overseas Chinese and American friends attended the dinner, hosted jointly by the Center for U.S.-China Arts Exchange and China Development International.

Professor Chou Wen-chung, director of the center and the initiator of the symposium, said at the dinner that the proposal for composers from the mainland and Taiwan to get together was put forward about one year ago. Now they have come together for the first time to discuss a specific topic in the field of music.

"This is a very exciting event," he said.

In the past three days since the opening of the symposium, the 20 composers (10 from each side) discussed the heritage and development of the Chinese cultural tradition.

Through the discussions, Chou said, the composers from the two sides of the Taiwan straits have realized that "they are not merely friends or colleagues coming together, and neither merely relatives coming together. They are members of the same family."

"We have found a great surprise (in) that all composers (to the symposium) share their common concern and have the same idea," he said.

Wu Zuqiang, head of the delegation from the mainland and president of the Central Conservatory of Music in Beijing, said he and his colleagues were extremely excited by the fact that after forty years of separation the composers now had such a major opportunity to get together.

"I think this action not only reflects the feelings of the composers of the two sides of the Taiwan straits, but also the common desire of the entire Chinese people," he said.

Wu said, "With such a good beginning, I am sure that in the future there will be other opportunities for us to get together on our own soil."

He expressed the hope that such a gathering should not be limited to musicians. It must be extended to all Chinese compatriots, he said.

Hsu Tsang-houei, head of the delegation from Taiwan and chairman of the Chinese Composers' League in Taiwan, described the meeting as a "brotherly gathering."

"We are excited because we meet each other like brothers after forty years of separation and talk to each other endlessly," he said. "Like two brothers separated too long, when they get together there is too much to say."

"The biggest thing we are doing is to work on mutual understanding and mutual exchange of experience to facilitate our official meeting in the future," he said.

Both Wu and Hsu expressed deep thanks to Professor Chou for his efforts in organizing the symposium and bringing the composers from the two sides of the straits together.

All three speakers were interrupted frequently by warm applause from the guests.

Music Symposium Ends

OW1308234588 Beijing XINHUA in English
0800 GMT 13 Aug 88

[By Qian Wenrong]

[Text] New York, August 12 (XINHUA)—A 4-day symposium on the "Tradition and Future of Chinese Music" attended by 20 composers from both Mainland China and Taiwan, the first of its kind, came to an end here today.

In a news release, the renowned composers, 10 from Mainland China and 10 from Taiwan, agreed that "the symposium, a historical gathering, has reflected the common hope of the artists from the two sides of the Taiwan Strait. It will create profound and significant influence on the future of Chinese music."

The participating Chinese musicians expressed strong desire for more freedom in their future cultural exchanges between the two parts of China cut for four decades.

The composers "strongly hope that the established ties must continue and the composers from the two parts of China would make their joint efforts to contribute to the development and prosperity of Chinese music," the release said.

According to Prof. Chou Wen-chung, the director of the Center for United States-China Arts Exchange that sponsored the gathering, the symposium was held upon the proposal of Taiwan composers one year ago and warm response from their colleagues in the mainland.

He said the composers played the records of their masterpieces to help introduce their music theories and views. They also engaged in enthusiastic discussions of such topics as the relationship between East and West in

musical creation, tradition and innovation, technique and content, national traits and characteristics of various styles and modes of expression, he added.

The composers also made suggestions on the further exchanges among cultural personages, scholars, art troupes, research institutions, and publications.

Prof. Wu Zuqiang, head of the delegation from the mainland and president of the Central Conservatory of Music, said at a press conference this morning that the mainland is planning to introduce and play more music masterpieces by Taiwan composers in the music activities.

Prof. Hsu Tsang-houei, chairman of the Chinese Composers' League in Taiwan and head of the Taiwan delegation, also confirmed that more performances will be staged in Taiwan to introduce works by mainland composers.

Hsu Po-yun, a prominent Taiwan composer, told XINHUA that the violin concerto "Liangshanpo and Zhu-yingtai" composed by a Mainland Chinese was hailed by Taiwan music lovers when it was staged in May in Taiwan as a great musical work that blends the techniques of traditional Chinese and Western music.

He added that he was confident that at least one concert will be held in Taiwan next spring to introduce works composed by Mainland Chinese.

The composers admitted that though the two parts have been cut for some 40 years, the music works of the 20 composers share the common characteristics of combining the Western music technique with that of traditional Chinese music to create a modern Chinese mode despite various differences in ways of composition among the composers.

"If we close our eyes and listen to the music pieces, we can hardly tell which are created by Mainland Chinese composers and which by those from Taiwan", Prof. Chou said.

"Maybe that's because we have blood relations and we are always thinking alike," Taiwan composer Wen Loong-hsing said.

Radio Commentary Condemns Support for Pol Pot
OW1508110488 Taipei International Service
in English 0200 GMT 12 Aug 88

[Station commentary: "Peking Still Cuddles Pol Pot"]

[Text] The recent talk between the various Cambodian factions, held in Jakarta, went well with one exception: The Khmer Rouge showed up. Worse yet, the murderous, bloodthirsty Khmers are still being propped up by Communist China. If not for that dismal fact, the Khmers would hardly have been welcome to take part in the talks.

The Cambodian resistance is a loosely organized group of mostly rag-tag soldiers trying to overthrow the Vietnamese puppet regime in Phnom Penh. The effort is almost 10 years in the making, begun after Vietnam invaded Cambodia in 1978. The coalition consists of forces led by former Cambodian Chief of State Prince Norodom Sihanouk, and another faction led by Cambodian nationalist Son Sann. The Khmers are the third faction, and make up the strongest military force of the three.

Sihanouk has received United Nations support, and he is still recognized as the head of the Cambodian Government in exile. The United Nations has refused to recognize the Vietnamese-backed regime currently in power in Phnom Penh.

The talks were held to formulate a united strategy in the wake of Vietnam's decision to withdraw its troops from Cambodia. Since the meeting 2 weeks ago, Prince Sihanouk has been criss-crossing the globe to gather support for the effort to block the Khmer Rouge from retaking power once the Vietnamese leave.

Between 1975 and 1978 the Khmer Rouge committed near acts of genocide in eliminating its opponents in Cambodia. Some demographic reports say that several million Cambodians were killed, while others put the figure in the hundreds of thousands. One fact is not disputed, however: During the reign of the Khmers, Cambodia was turned into the worst Orwellian nightmare.

Which brings us back to the effort by Prince Sihanouk to keep the Khmers, and their bloodthirsty leader Pol Pot, out of power in Cambodia. On his travels, Sihanouk has been able to garner much world support. No one, it seems, is prepared to stomach the return of the Khmers.

No one, that is, except for the Chinese Communists in Peking, who not surprisingly run against the grain of world opinion by propping up Pol Pot and the Khmers.

Most observers agree that Peking will eventually have to yield on the matter of support for the Khmers. But, thus far Peking is showing no inclination to cave in on the issue. The thought is that Peking will find it increasingly untenable to support one of the world's most hated

regimes. Moreover, Peking, which also wants to see Vietnam get out of Cambodia, may find that its support for the Khmers is the only obstacle to achieving that goal with world support. But, the bottom line may also be that birds of a feather flock together. Meaning, of course, that the hated regime in Peking feels nothing strange about backing another hated regime. Pol Pot, after all, is a student of Mao Tse-tung, and his reign of terror in Cambodia was but a microcosm of what Mao did unto China.

Cambodia has suffered enough. Prince Sihanouk deserves all the support the Free World can muster to help him give Cambodia back to the Cambodian people.

American Scholar Reports on Mainland Meeting

Mainland Would Form Coalition
OW1208121688 Tokyo KYODO in English
1141 GMT 12 Aug 88

[Text] Hong Kong, Aug 12 KYODO—China's Communist Party leaders are willing to form a coalition government with Taiwan's ruling Nationalist Party and renounce the use of force to unify the island with the mainland, an American-Chinese academic claims.

THE UNITED DAILY NEWS reported Friday that New York University political science lecturer [James] Hsiung Chieh said Beijing officials told him the Communist Party is willing to negotiate the formation of a coalition government with the nationalists and discuss a new constitution for a unified China.

Hsiung, an academic well-known in Taiwan, originally made the claim in an article written for "ASIA AND THE WORLD," a journal published by the International Affairs Research Center at the Taiwan University of Politics.

The Beijing officials were not identified nor did the article say where the meeting took place.

Both the Communist and Nationalist Parties claim to be the only legitimate government of China.

While Beijing has attempted to open closer relations with Taipei in recent years in an effort to realize the Communist Party's proclaimed goal of reunifying the island with the mainland, the nationalists have repeatedly said they will not compromise unless Beijing abandons Marxism.

But according to Hsiung, the communists are willing to leave their "four cardinal principles" out of any new Constitution negotiated with Taipei. The "four cardinal principles"—adherence to the socialist road, the people's democratic dictatorship, the leadership of the Chinese Communist Party and Marxism-Leninism and Mao Zedong Thought—are the core beliefs of the Communist Party and have repeatedly been attacked by nationalist leaders.

The new constitution cannot be completely based on the present nationalist constitution in force in Taiwan, Hsiung said he had been told.

If the nationalists do not make any moves toward independence for Taiwan, Beijing will also abandon its frequently repeated threat of using force against the island, Hsiung said.

Taipei has frequently said there can be no compromise so long as Beijing reserves the right to use force to gain control of the island.

On the continuing problem of Taiwan's present international status, Hsiung said Beijing would have no objection to Taipei joining international organizations under the same formula used in the Asian Development Bank, where Taiwan participates under the title of "China, Taipei."

For many years, China sought to isolate Taiwan diplomatically and many international bodies expelled the island for maintaining its claim to represent the whole of China.

Peking 'Nervous' Over Progress

OW1508110088 Taipei International Service
in English 0200 GMT 13 Aug 88

[Station commentary: "Peking Getting Anxious over Taiwan"]

[Text] Last week we commented over these airwaves that recent political progress on Taiwan is making the Chinese Communist regime in Peking nervous. Taiwan's surge toward democracy is said to be causing the Chinese Communists some facial discomfort. At a recent meeting among top Communist Party officials, Teng Hsiao-ping, Communist China's paramount leader, was quoted as saying that Peking would not tolerate too much pressure from Taiwan on the democracy issue.

This week in Taipei, a Chinese American scholar, Prof James Hsiung, told a gathering of political scientists in Taipei that several developments on Taiwan are causing Peking serious discomfort. Hsiung said that Peking mostly fears that Taiwan would sever its ties with historic China and eventually try to go its own independent way. Peking has warned that an attempt to pursue independence would be one of the three conditions in which Peking would invade Taiwan. The other two are if Taipei seeks an alliance with the Soviet Union or tries to go nuclear. Peking also claims it has the right to invade Taiwan if the island becomes unstable.

Hsiung said that Peking is worrying over recent signs from Taipei that signal a change in the structure of government. He cited the fact that the government is now mostly represented by native Taiwanese, and that the effort to rejuvenate the ROC [Republic of China] parliament on Taiwan is seen by Peking as a move away

from the commitment to a one-China policy in Taipei. Hsiung said that Peking perceives these moves as first steps towards independence for Taiwan.

Hsiung said Peking is also disturbed by animated discussion in Taiwan of establishing a dual system for China. That, in Peking's view, at least, would look like the establishment of two Chinas.

Hsiung said that Peking takes these developments seriously, even to the point that some Chinese Communist officials have considered the feasibility of changing their regime's name back to the Republic of China and by readopting the ROC flag. The story goes that Mao Tse-tung regretted changing the name and the flag of the Republic of China. He was persuaded to do it so that he could be named the father of the country. He later regretted his initial vanity, however.

Professor Hsiung's understanding of how Peking views Taiwan is quite sound. His analysis, however, is made questionable by one rather large loophole: The fact that the ROC Government on Taiwan has no intention of doing any of the things that Peking is said to worry about. Independence, no matter how democratic the government becomes, is not in the cards for Taiwan. Furthermore, Taipei will never accept a two-China policy or a two-China look-alike policy. The problem here is that Peking is confusing democratization on Taiwan with moves toward independence. But, as Teng says, either development makes Peking anxious.

Peking can rest assured that Taipei is not going the independent route. On the other hand, Peking should be deeply worried about democracy and freedom on Taiwan. Such a Taiwan is a large thorn in Communist China's side, and who can blame the Chinese Communists for being anxious about it.

Chiang Weiguo Urges Challenges to CPC Rule

OW1308222988 Taipei CNA in English 1536 GMT
13 Aug 88

[Text] Taipei, Aug. 13 (CNA)—The Republic of China [ROC] will seek to accomplish its goal of recovering the China mainland through political means rather than military approaches, Chiang Weiguo, secretary-general of the National Security Council, said Saturday.

Chiang, younger brother of the late President Chiang Ching-kuo, however said the ROC Government will not hastily hold talks with the Chinese Communists because they are untrustworthy and talking with them "will only boost their position and weaken our grounds."

Chiang made his remarks at an academic seminar marking the 60th anniversary of the victory of the "northward expedition," a war launched by the Kuomintang-led revolutionary forces at the early stage of the Republic's history which led to the elimination of warlords in northern China and the unification of China in 1928.

Although Chinese Communists have softened their stands and made peaceful overtures to the ROC, he pointed out, "these are just their united front tactics aimed at weakening our strength and we should not fall into their traps."

The ROC should depend on its own strength to take the initiatives in the process of China's reunification, Chiang noted. In view of domestic and international situations, peaceful means are the most desirable approaches for the Chinese people on both sides of the Taiwan Strait in seeking to accomplish China's reunification.

Chiang said in a paper presented to the seminar that the northward expedition could serve as an example for the ROC in its efforts to recover the mainland because under communists' totalitarian rule and their false policies, the situation on the mainland has become even worse and more unstable than during the warlords-controlled period.

But, he said, this time the "northward expedition" should be undertaken mainly through political, peaceful means. He suggested that the ROC should cooperate with democracy advocates and freedom fighters on the mainland in challenging the Peiping regime and support the one billion mainland people to fight against communist tyranny.

Asked to comment on the Peiping regime's latest peaceful overture expressed through a Chinese-American scholar that it hopes to hold reunification talks with the ROC Government, Chiang said, "since I was not there (at the meeting between the scholars and Chinese Communist leaders), I have no comment on the matter."

The general-turned-NSC staff chief, however, quoted from the book, "The Art of War by Sun Tzu," and said that one should never easily accept the enemy's demands. This is particularly true when the enemy is communists, he said, because they usually take advantage of talks to boost their own positions and weaken the opposite sides.

James Hsiung, a professor of politics at New York University, said after a recent mainland visit that Chinese Communist leaders have told him that Peiping is willing to hold talks with Taipei on reunification, formation of a coalition government, and the adoption of a new national constitution.

Spokesmen for the ROC Government and the ruling Kuomintang have rejected the alleged overtures as "united front ploy" and reaffirmed the ROC's policy of "no contacts, no negotiations, no compromise" with Chinese Communists.

Radio Comments on Influencing Mainland Reform
OW1508111488 Taipei International Service
in English 0200 GMT 14 Aug 88

[Station commentary: "Taiwan and Hong Kong Crucial to Mainland Reform"]

[Text] A leading dissident writer from Mainland China said at a seminar in Hong Kong recently that if it were not for Taiwan and Hong Kong, the Chinese Communist regime in Peking would lock the door and beat the dogs. That is Chinese for become xenophobic and pick on the natives.

The writer, Liu Ping-yen, took leave from his 1-year teaching stint at the University of California at Los Angeles to attend a seminar in Hong Kong in honor of an outspoken writer from Taiwan. Liu, who was booted out of the Chinese Communist Party for his own outspokenness in 1986, was given permission to visit the United States after Peking felt the heat of foreign criticism for having persecuted Liu.

Lock the door and beat the dogs is a saying coined by Mao Tse-tung. He meant that the Communist Party would shut its eyes and ears to outside interference to struggle against those causing trouble for the party at home.

Liu said that Taiwan and Hong Kong are having much impact on the mainland because the Communists have left the door open recently. He said it would be difficult for them to close the door because that would then send the wrong signal to both Taiwan and Hong Kong.

Liu was very poignant about how reforms on Taiwan tend to influence what happens on the mainland of China. He described the government in Taipei as being involved in a kind of competition with the Communist Party, with Taiwan putting much pressure on the mainland to match its democratic progress.

Liu said mainland intellectuals rely very much on information sources from the outside Chinese-speaking world. He said that one way for Taiwan and Hong Kong to increase their influence on Mainland China would be to increase the flow of magazines and newspapers to the mainland through various people-to-people channels. He said mainland intellectuals are particularly hungry for such sources of information about developments in Taiwan and Hong Kong, and that they often use the materials to point to things the mainland ought to be doing as well.

Liu said that he knew that each time a visitor from Taiwan or Hong Kong brings a magazine into Mainland China for relatives to look at, it gets passed around to countless numbers of people.

Liu even suggested that Chinese in Taiwan and Hong Kong should buy subscriptions to outside materials for mainland intellectuals. He said even if only a few of the items get through, it will still have great impact.

Liu said that the Communist regime itself already gets almost all Taiwan and Hong Kong newspapers and news magazines. But he wryly noted that the masses never are privy to the same kinds of information that the Communist Party is, thus making it necessary for people-to-people contacts to overcome the information void for the average mainlander.

What Liu had to say suits Taipei's recent policy announcements on mainland visits perfectly. The government hopes to step up its influence on the mainland, and has decided that increased people-to-people contacts is a good way to achieve that goal.

KMT Official Refutes 'One Country, Two Systems'
*OW1508043188 Taipei CNA in English 0306 GMT
15 Aug 88*

[Text] Taipei, Aug 15 (CNA)—Li Huan, secretary general of the Kuomintang (KMT), Sunday refuted the Chinese Communist "one country, two systems" policy, saying that only by reunifying China under the Three Principles of the People can China have a bright future.

The so-called "peaceful unification, coalition government" is a Chinese Communists' united front tactic, Li said at a luncheon with the scholars and experts attending a symposium on the 60th anniversary of the Northern Expedition.

Li's statement came after James Hsiung, a professor of political science at New York University who had recently met with Chinese Communist authorities, told the local press over the weekend that the Peiping regime may discard their "national title" and implement the constitution of the Republic of China (ROC) if the ROC Government will hold peace talks with it.

History is a mirror. Li recalled that during the eight-year war against Japan, the Chinese Communists, then only a tiny rebellious group, had claimed they would fight hand-in-hand with the KMT against the Japanese, but, in fact, they strove to promote their own growth under the guise of "cooperation."

Now they are again trying to use the same strategy. The Chinese Communists exhibit peaceful gestures for Overseas Chinese scholars, claiming that they want to form a coalition government with the KMT and to unify China peacefully. "This, however, is another slogan and a tactic to cheat the world," Li said.

After studying the history of the Northern Expedition, Li said, "we know that we must be faithful to the Three Principles of the People and maintain a revolutionary spirit if we are to win the current anti-communist war."

The eventual goal of the communists is to implement communism throughout the world, and the ways they utilize to achieve their ends are to oppose democracy, private capital, and press freedom. There are no exceptions in all communist countries. "Why should we then compromise and hold peace talks with them?" Li asked.

KMT Repeats Opposition to Mainland Contacts
*OW1208170188 Taipei CNA in English 1412 GMT
12 Aug 88*

[Text] Taipei, Aug. 12 (CNA)—The Kuomintang (KMT) will never change its basic policy of reunifying China under the Three Principles of the People, the spokesman of the Republic of China's ruling party said here Friday.

Raymond Tai, director of the Department of Cultural Affairs of the KMT Central Committee, reaffirmed the party's stance when responding to press queries about a news report that the Chinese Communist regime has expressed its intent to negotiate with the ROC over the adoption of a new national constitution.

Tai stressed that the Kuomintang will never compromise, negotiate, or have any contact with the Peiping regime.

"Nor will the party change its stance and basic policy of reunifying China under the Three Principles of the People, which aims to achieve freedom, democracy and an equitable distribution of wealth on the Chinese mainland," he said.

Trader Cleared of Aiding Mainland Through Trade
*OW1208130288 Tokyo KYODO in English
0848 GMT 12 Aug 88*

[Text] Hong Kong, Aug 12 KYODO—A Taiwan court has cleared a man accused of aiding communist rebellion by trading directly with Mainland China, a decision that is seen as a landmark judgment, according to reports reaching here.

Under decades-old security laws introduced to prevent any aid reaching communists attempting to overthrow, the Nationalist Party in Taiwan, any person trading or investing in Mainland China may be accused of aiding bandit rebellion.

The Nationalist Party still regards itself as the legitimate government of all China and calls the communist-ruled mainland "bandit territory."

Even after Taipei recently relaxed restrictions to allow indirect trade with the mainland, businessmen still faced criminal charges if caught trading directly with China.

But in the judgment delivered Wednesday—which observers said may affect several similar cases awaiting judgment—the Taiwan higher court cleared businessman Liu I-chia of charges of aiding bandit rebellion, the Taipei UNITED DAILY NEWS reported.

Although it was clear Liu had traded directly with China, there was no evidence of any intention to aid bandit rebellion, the court said in the first ever such judgment.

Liu nevertheless still faces other charges of endangering national security, the paper reported.

Delegation of Scientists To Attend Beijing Meeting
OW1508110188 Tokyo KYODO in English
1020 GMT 15 Aug 88

[Text] Hong Kong, Aug. 15 KYODO—Taipei authorities have decided to allow Taiwan scientists to attend for the first time since 1949 an international meeting to be held in Mainland China, according to Taiwanese press reports.

Taipei will allow a delegation of about 20 scientists to attend a meeting of the International Council of Scientific Unions (ICSU) scheduled to be held in Beijing from September 16, Taiwan evening newspapers reported Monday. Citing sources in Taiwan's presidential office, the reports said the delegation will be headed by agricultural scientist Su Chang-chin.

The delegation will be the first of its kind to visit the mainland since the Nationalist Party withdrew to Taiwan in 1949.

Until recently nationalist authorities in Taiwan have insisted that there can be no formal cultural exchanges with the mainland and that academics would not be allowed to attend international meetings in China.

Taipei had specifically said no delegation would be sent to the ICSU meeting. But the change of heart, expected to be soon formally endorsed by the cabinet, came about because the authorities feared Taiwan might be ousted from this important international body if it did not attend the meeting, the press reports said.

Economics Official on Free Trade Zone With U.S.
OW1308163988 Taipei CNA in English 1532 GMT
13 Aug 88

[Text] Taipei, Aug. 13 (CNA)—Signing an agreement on the establishment of a Sino-U.S. free trade zone is a long-term target of the Republic of China [ROC], Li Mo, vice minister of economic affairs, said Saturday. However, the proposed agreement is not a simple matter and it has to be handled with patience, he said.

According to a CNA report from Washington, D.C., the Republican party has indicated clearly in its platform that the party will promote a free trade zone program with the ROC.

After hearing a briefing by the Board of Foreign Trade, policymakers at the Ministry of Economic Affairs are apparently not optimistic about the prospects of signing such a pact mainly because they have found it involves political problems which have to be overcome first.

The U.S. has signed separate free trade zone agreements with Israel and Canada to cut or eliminate tariffs for each other and to lift controls on bilateral trade.

'Results' Expected in 26 Aug U.S. Trade Talks
OW1308162388 Taipei CNA in English 1558 GMT
13 Aug 88

[Text] Taipei, Aug. 13 (CNA)—The Hawaii trade consultations between the Republic of China [ROC] and the United States on Aug. 5 did not break down as reported although the two sides did not solve their problems either, Frederick F. Chien, chairman of the Council for Economic Planning and Development, said here Saturday.

At an airport press conference upon his arrival from the United States, Chien said the ROC and U.S. delegations will hold another round of consultations on Aug. 26 to discuss ROC imports of fruit and turkey meat from the U.S.

He said that David Rox, chairman of the American Institute in Taiwan, indicated that both sides had demonstrated their sincerity during the Hawaii consultations to solve the trade disputes. The two sides believe that the next round of talks will produce results, Chien added.

Before returning to Taipei, Chien had met with ranking U.S. trade officials and explained how the ROC has been doing its best to reduce its trade imbalance with the United States. Statistics show that the nation's trade surplus with the U.S. decreased by 30 percent in the first seven months of this year, and this fact was appreciated by the U.S. Government, he said.

Premier Leaves for Paraguayan Head's Inauguration
OW1208130488 Taipei CNA in English 1053 GMT
12 Aug 88

[Text] Taipei, Aug. 12 (CNA)—Premier Yu Kuo-hua, leading a special mission, left for Paraguay Friday to attend the inauguration ceremony of Paraguayan President Stroessner to be held on Aug. 15.

Yu, prior to his departure from the Chiang Kai-shek International Airport, said that his visit to Paraguay is not only to represent President Li Teng-hui at the inauguration of President Stroessner but also to exchange views with President Stroessner on the current international situation and other matters of mutual concern.

Yu said that even though the ROC [Republic of China] and Paraguay are far apart geographically, cooperative relations between the two countries have been close and friendship between the people of the two nations have been cordial. He said he believes cooperative relations between the two countries and traditional friendship between the peoples of the two nations will be further strengthened under the wise leadership of the Paraguayan President Stroessner.

Yu announced that Economics Minister Chen Li-an will attend the second ministerial economic meeting to be held in Paraguay after the inauguration of President Stroessner.

During his stay in Paraguay, Yu said he will meet with Overseas Chinese and ROC officials stationed there.

The members of the special mission included Economics Minister Chen Li-an; Vice Foreign Minister King Shu-chi; Vice Economics Minister Wang Chien-shien; Koh Chin-chao, vice chairman of the Council of Agriculture; Shaw Yu-ming, director general of the Government Information Office; and Hoang Sieou-je, director of the Protocol Department of the Ministry of Foreign Affairs. The special mission will return here on Aug. 18.

New Costa Rican Envoy Pledges To Promote Ties
OW1308235188 Taipei CNA in English 1447 GMT
13 Aug 88

[Text] Panama City, Aug. 13 (CNA)—The newly appointed ambassador of Costa Rica to the Republic of China [ROC], Antonio Dacsan, Thursday pledged to do his best to promote the friendship and cooperation between the two nations.

Ambassador Dacsan said that he highly admired the ROC for the progress it has achieved by implementing the Three Principles of the People.

After assuming his new post in Taipei, the Costa Rican diplomat said, he will make more efforts in promoting the cultural and political exchanges, among others, trying to make some contribution to promotion of the friendship and cooperation between the two democracy-loving peoples.

Dacsan made the remarks in a dinner party hosted by ROC Ambassador Shao Hsiu-kwen in his residence in honor of the new Costa Rican envoy to the ROC.

Speaking on the occasion, Ambassador Shao praised Dacsan for the contribution he had made to the promotion of their ROC-Costa Rican relations. Dacsan is not only an excellent government official of Costa Rica, but also a prominent leader of the Overseas Chinese community in this Central American nation, Ambassador Shao indicated.

Ambassador Dacsan is scheduled to leave for Taipei to take over his new post late this month.

Hong Kong

'Tough' Policy on Refugees Shows Results
*HK1308091588 Hong Kong SOUTH CHINA
MORNING POST in English 13 Aug 88 p 1*

[By Simon Macklin]

[Text] Hong Kong's tough new policy on Vietnamese boat people appears to be working, with fewer sailing into the territory, the Government's refugee co-ordinator, Mr Michael Hanson, said yesterday. However, he said a new detention centre for Vietnamese boat people to be built in Sha Tin could be extended to hold as many as 20,000 people if the influx continued.

A steady decline in the rate of arrivals together with a growing number of Vietnamese boat people seeking voluntary repatriation suggested the present crisis could be ending, Mr Hanson said.

Security Branch officials said that in the past few days 102 boat people had asked to be repatriated. They admitted, however, that the picture was still confused because some of the boat people had later withdrawn their requests.

Nevertheless, officials said they were encouraged by the indication that a growing number of the boat people in Hong Kong recognised their only future lay in returning to their country. The number of new boat people arriving in the territory also appeared to be dropping.

"People have continued to arrive but the rate has declined," Mr Hanson said.

"It has taken a little time for the policy to get across, for word to get back to Vietnam, but I think there are encouraging signs.

"Since August 1 the rate has dropped quite considerably to about 60 or 70 a day.

"That is a lot better than it was during last month when it was 130 or 140 a day.

Mr Hanson said he was optimistic the present trend would continue.

"It has become apparent to boat people that Hong Kong is no stepping stone to resettlement in the West, and that if they are economic migrants or illegal immigrants then the only future for them is the detention centre and then repatriation to Vietnam," he said.

Yesterday 28 Vietnamese arrived in Hong Kong, bringing to 7,460 the number to have arrived since June 16 when the new screening policy was introduced.

The majority of these had arrived in the first five weeks of the new policy.

The Government still plans to build a detention centre in Sha Tin, which could be expanded to hold 20,000 boat people if the rate of arrivals picked up before the Government reached an agreement for the repatriation of those screened out as non-refugees.

Mr Hanson told Sha Tin District Board members yesterday that the site was initially intended to hold 4,800 boat people.

A second phase of expansion would increase the capacity to about 10,000.

But speaking after the briefing, Mr Hanson said the site might be eventually increased to hold 20,000 boat people.

Architectural Services Department blueprints seen by the SOUTH CHINA MORNING POST show three planned stages of development for the 33 hectare plot of Crown land at Wu Kai Sha. The plans show a first stage in which two detention centres will be built next to one another, each with a capacity for 2,400 boat people.

The boat people are to be housed in dormitory huts six metres by 33 metres with 200 people to each hut in three-deck bunk beds. Each of the camps will be encircled by two parallel steel link-fences 5.2 metres high with a four metre margin in between.

Architectural Services Department senior maintenance surveyor, Mr Edmund Wu, said the camps would each cost about \$93 million to develop.

Daya Nuclear Committee 'Responsible to People'
*HK1308091788 Hong Kong HONGKONG STANDARD
in English 13 Aug 88 p 3*

[By S.Y. Wai]

[Text] The newly established Sino-Hong Kong consultative committee on the \$28.8 billion Daya Bay project will be responsible to the six million people of Hong Kong. And committee members will inform locals of any developments concerning the safety of the nuclear power plant project "at once".

These were the assurances given by the chairman of the committee, Mr Wong Po-yan, yesterday at its inauguration ceremony in Shenzhen.

The Nuclear Safety Consultative Committee for the Guangdong Daya Bay Nuclear Power Plant was set up under the plant's developer, the Guangdong Nuclear Power Joint Venture Company (GNPJVC) on the instructions of the Chinese Nuclear Industry General Company (NIGC).

The committee is responsible to discuss the GNPJVC's reports on safety measures and their implementation during the construction and operation of the plant. These facts should also be communicated to Hong Kong people.

Another task is to make recommendations and comments on nuclear safety, subject to the regulations of the National Nuclear Safety Administration (NNSA). Relevant nuclear safety information of the International Atomic Energy Agency must also be taken into account as well as the actual conditions of the plant.

Speaking after the inauguration, committee chairman Mr Wong Po-yan said he believed the 12 Hong Kong members would report on Hong Kong people's worries to the committee from time to time. Even though 12 of the 14 members were from Hong Kong, there would be no office in the territory to collect local opinions, he said. Mr Wong said members would collect opinions individually.

"We have ears to listen to people and eyes to read newspapers, and that will be how we collect opinions which will be discussed in the committee," he said.

Mr Wong said he would ask fellow members what information they needed and then proceed from there for the first meeting.

Asked about the support from two-thirds of members for any committee recommendation to go to the NIGC, Mr Wong said this requirement would not be applied to the release of information to Hong Kong people.

He assured that information about any incidents at the plant would be relayed to Hong Kong immediately.

On the committee's lack of power to monitor the plant, Mr Wong stressed that it was a consultative body which had no legal right to do so. That responsibility lay with the NNSA instead.

The GNPJVC's general manager, Mr Zan Yunlong, said the right to monitor and the right to supervise could not be separated from each other.

"The committee surely can't have the power to supervise, so it will be effective if it only has the right to monitor. That's why it is a consultative body which we believe will function well," he said.

Echoing Mr Zan's view, Mr Wong said it would be meaningless to argue over whether the committee should monitor the plant.

On the status of the committee, both GNPJVC officials and Mr Wong dismissed the accusation it would not be independent from Chinese nuclear authorities.

Hong Kong anti-nuclear activists have strongly criticised the lack of independence of the committee as everything concerning the setting up of the committee was decided solely by China.

But GNPJVC executive director Mr An Qingming said the fact that China took such a decision did not mean the committee would not be independent.

"Somebody has to organise and form the committee from scratch," said Mr An.

Mr Wong said that the committee would work independently and it would be responsible to both Hong Kong and mainland people.

Meanwhile, the Hong Kong Nuclear Investment Company, a shareholder in the GNPJVC, said the setting up of the committee showed that the Chinese leadership was concerned about the safety of Hong Kong people.

The committee has also received the Hong Kong Government's backing.

The Secretary for Economic Services, Mrs Anson Chan, said the Government welcomed the establishment of the committee. She believed the committee would play a useful role in improving communications between the Chinese nuclear authorities and the operator of the plant and the Hong Kong community.

"It will provide an opportunity for Hong Kong people to express their views on the operation and safety aspects of the Daya Bay Nuclear Power project and to keep abreast of developments on this front."

The 14-member committee comprises Hong Kong professionals and other prominent people who are participating in their personal capacity.

Government 'Welcomes' Group
OW1308053888 Beijing XINHUA in English
1431 GMT 12 Aug 88

[Text] Hong Kong, August 12 (XINHUA)—The Hong Kong Government welcomes the establishment of the Nuclear Safety Consultative Committee (NSCC) for the Guangdong Daya Bay Nuclear Power Station, said a government official today.

A ceremony was held today at the construction site of the nuclear power station to officiate the set-up of the advisory body, which is expected to play a useful role in improving communications between the Chinese nuclear authorities and operators of the Daya Bay Nuclear Power Station and the Hong Kong community.

Among the 14 members of the committee, 12 come from Hong Kong, including legislative councillors, professionals, academics, and environmentalists.

Mrs Anson Chan, the secretary for economic services, said she believed that the committee "will provide an opportunity for Hong Kong people to express their views on the operation and safety aspects of the Daya Bay Nuclear Power Project and to keep abreast of developments on this front," she said.

The station, whose twin reactors will produce 900 megawatts each, is being built on the Daya Bay site, 52 km northeast of Hong Kong. It is due to begin generating electricity in October 1992.

More than half of the station's electricity will be transmitted into Hong Kong.

The Sino-Hong Kong joint venture has recently increased the number of quality control inspectors, and the construction schedule is being closely followed, it was announced today.

New Polices To Help Internationalize Business
*HK1308021088 Hong Kong AFP in English 0146 GMT
13 Aug 88*

[By Claudia Mo]

[Text] Hong Kong, Aug 13 (AFP)—Two new government policies announced here recently appeared to be a bid to help Hong Kong's business world become more international before return to Chinese sovereignty in 1997, analysts said.

The government has for the first time invited bids from outside Hong Kong to build and operate a cable television network in the British colony and the administration has proposed that foreign law firms here should be allowed to practise Hong Kong law through local lawyers hired as their employees.

That proposal has to be approved by the legislature.

"I see these new policies as a distinctive effort on the part of the government to 'internationalise' Hong Kong before 1997," said Joseph Cheng, a political commentator on the staff of the local Chinese University.

A local bank economist, who preferred anonymity, said: "Hong Kong needs to enhance its international image after 1997 and I think the British do have a heart to help us achieve that."

Edward Chen, head of the Hong Kong University's Asian Studies Centre, described the business liberalisation as "ultimately good for Hong Kong."

"But I doubt this is a target policy of the colonial government, which in my opinion is a lame-duck government trying to ward off problems as they crop up."

The government has decided to set up a second telecommunications network with exclusive rights to carry cable TV, cracking the local monopoly enjoyed by British giant Cable and Wireless through its subsidiary Hongkong Telecom.

Hongkong Telecom, currently holding franchises for local telephone services until 1995 and all external communications until 2006, is also barred under the new policy from holding more than 15 per cent of the new network, which could also run related, non-franchised services.

Interested foreign bidders, tipped to include U.S. concerns Bell South and AT and T and their Japanese counterpart, the KDD group, are invited to submit tenders during a six-month period starting in September.

"China should be happy to see this change," Chinese University's Mr. Cheng said. "Beijing is caught in a dilemma about post-1997 Hong Kong. While it wants to rid the territory of its British colonial image, it does not want major British companies to pull out either."

"Because China's own telecommunications facilities could hardly take over Cable and Wireless' services here after 1997, the only solution is to let the market go international," he added.

China should also welcome the latest mooted change in the local legal scene, analysts said. At present, only local and British lawyers can practise Hong Kong law. Foreign lawyers have to pass exams here before they are qualified locally. The government's proposal would in effect permit foreign lawyers' advice on Hong Kong law through their lawyer-employees or partners who are locals.

The HONGKONG ECONOMIC JOURNAL said in an editorial that the new policy would enable international companies to consult one law firm on local and foreign laws at one go, rather than having to go to a local lawyer and a foreign lawyer for separate advice.

"This would mean lower legal costs on business deals for foreign companies here and would boost Hong Kong's attraction to overseas investors" before and after 1997, it said.

Both Mr. Cheng and Mr. Chen also saw political implications through such a change as, they said, local ethnic Chinese lawyers might feel intimidated by political pressure from Beijing in post-1997 Hong Kong.

Macao

Students Enroll in South China Universities
*OW1308012388 Beijing XINHUA in English
0035 GMT 13 Aug 88*

[Text] Hong Kong, August 13 (XINHUA)—A total of 307 secondary school graduates in Macao have been

enrolled this year by Jinan University in Guangzhou and Overseas Chinese University in Fujian Province.

Meanwhile, the two mainland universities have also granted enrolment permission to 289 applicants from Hong Kong, it is reported.

Nearly 600 middle school graduates here have applied for studying in universities in the mainland this year. And half of them listed either of the two above universities as their first choice, which are believed to provide ideal teaching standard and inexpensive tuition beside the short distance to travel during vacations.

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